
State:	District of Columbia	Filing Company:	Allmerica Financial Benefit Insurance Company
TOI/Sub-TOI:	20.0 Commercial Auto/20.0000 Commercial Auto Combinations		
Product Name:	DC- CAPE Auto Filing		
Project Name/Number:	Commercial Lines/CA /DC-CA-19657		

Filing at a Glance

Company:	Allmerica Financial Benefit Insurance Company
Product Name:	DC- CAPE Auto Filing
State:	District of Columbia
TOI:	20.0 Commercial Auto
Sub-TOI:	20.0000 Commercial Auto Combinations
Filing Type:	Rate/Rule
Date Submitted:	11/13/2019
SERFF Tr Num:	HNVR-132139449
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	DC-CA-19657
Effective Date	03/01/2020
Requested (New):	
Effective Date	03/01/2020
Requested (Renewal):	
Author(s):	Jenifer Kochis, Robert Hayden
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

State: District of Columbia **Filing Company:** Allmerica Financial Benefit Insurance Company
TOI/Sub-TOI: 20.0 Commercial Auto/20.0000 Commercial Auto Combinations
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Project Name/Number: Commercial Lines/CA /DC-CA-19657

General Information

Project Name: Commercial Lines/CA
Project Number: DC-CA-19657
Reference Organization:
Reference Title:
Filing Status Changed: 11/13/2019
State Status Changed:
Created By: Jenifer Kochis
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:
Submitted By: Robert Hayden

Filing Description:

This filing is to revise our Allmerica Financial Benefit Insurance Company Commercial Automobile line of business effective March 1, 2020 for new and renewal business. The overall estimated rate impact is 5.1%.

The following revisions are proposed:

1. Loss Costs
2. Hired Auto Minimum Premium
3. Non-Ownership Liability
4. Business Auto Coverage Broadening Endorsement Class Code Correction

Company and Contact

Filing Contact Information

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508-855-4786 [FAX]

Filing Company Information

Allmerica Financial Benefit Insurance Company	CoCode: 41840	State of Domicile: Michigan
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins Group	State ID Number:
(508) 855-1000 ext. [Phone]	FEIN Number: 23-2643430	

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State:	District of Columbia	Filing Company:	Allmerica Financial Benefit Insurance Company
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Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	6.300%
Effective Date of Last Rate Revision:	02/01/2019
Filing Method of Last Filing:	File and Use
SERFF Tracking Number of Last Filing:	HNVR-131666361

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Allmerica Financial Benefit Insurance Company	9.900%	5.100%	\$19,066	79	\$373,852	50.100%	0.000%

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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		DISTRICT OF COLUMBIA Commercial Automobile State Exception Pages Allmerica Financial Benefit Insurance Company (AFB)	1-20	Replacement	HNVR-131666361	DC Exception Pages CAPE 20200301.pdf
2		Commercial Lines Manual Division One Automobile Loss Cost Pages Allmerica Financial Benefit Insurance Company	1-3	Replacement	HNVR-131666361	Appendix A - DC Proprietary Loss Cost Pages for Filing - CAPE.pdf

DISTRICT OF COLUMBIA
Commercial Automobile State Exception Pages
Allmerica Financial Benefit Insurance Company (AFB)
*Effective Date, New Business and Renewals: **March 1, 2020***

	ISO Circular	ISO Filing Designation	ISO Effective Date	Hanover Effective Date
Loss Costs*	LI-CA-2011-174	CA-2011-BRLA1	10/1/2011	5/1/2012
Rules	LI-CA-2005-362	CA-2005-ORU01	4/1/2006	4/1/2011
Class Plan	LI-CA-2011-173	CA-2011-RCP1	10/1/2011	5/1/2012
Increased Limits Factors	LI-CA-2018-150	CA-2018-IALL1	10/1/2018	2/1/2019
UM Loss Costs*	LI-CA-2011-174	CA-2011-BRLA1	10/1/2011	5/1/2012
Composite Rating Plan	LI-CA-2017-095	RP-2016-RCP16	8/1/2017	2/1/2018
Retrospective Rating Plan	LI-CA-2017-096	RP-2016-RRP16	8/1/2017	2/1/2018
Experience & Schedule Rating Plans	LI-CA-2012-275	RP-2012-RAL12	4/1/2013	12/1/2015
	LI-CA-2012-276	RP-2012-RPD12	4/1/2013	12/1/2015

*Please see Appendix A for Proprietary Loss Costs for PPTs, TTTs, Publics, and Hired Autos.

Loss Cost Multipliers *

Liability and No-Fault	1.907
Physical Damage	1.934
UM / UIM	1.907

* Final rates are to be determined by multiplying the proprietary loss cost by the multipliers shown above.

Business Auto Coverage Broadening Endorsement (461-0155, 09/97)

- > This endorsement amends coverage provided under the Commercial Auto Coverage Form CA0001.
- > This endorsement is available for any policy which includes CA0001. Class Code 9990 applies.

1 - 4 Motorized Units	\$125
5 - 10 Motorized Units	\$250
11+ Motorized Units	\$400

- > This endorsement is not subject to any further premium discounts or modifications.

COMPANY EXCEPTIONS TO ISO STATE INSURANCE MANUAL

8. POLICY-WRITING MINIMUM PREMIUM

The policy-writing minimum premium is **\$500**.

22. PREMIUM DEVELOPMENT - OTHER THAN ZONE RATED AUTOS

Paragraphs 22.A and 22.B are replaced by the following:

A. Eligibility

This rule applies to:

1. All light trucks and trailers used with light trucks.
2. All other trucks, tractors and trailers which regularly operate within a 300 mile radius from the street address of principal garaging. For those autos regularly operating beyond a 300 mile radius, refer to Rule 25.

B. Determination Of Classification Rating Factor And Class Code

Determine the classification rating factor and class code as follows:

1. Determine whether the risk is classified as fleet or non-fleet according to Rule 23.
2. Determine the primary rating factor according to Rule 23. based on size class, business use class and radius class.
3. Determine the secondary rating factor, if any, according to Rule 23. based on the special industry classifications.
4. Determine the combined rating factor by adding the secondary rating factor to or subtracting it from the primary rating factor.
5. For trailers used with light trucks which regularly operate beyond a 300 mile radius, use the primary rating factor for the intermediate rating class.

23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS

Paragraphs 23.B.3, 23.B.4 and 23.B.5 are replaced by the following:

3. Business Use Class - If a truck, tractor or trailer has more than one use, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification.

- a. Service Use - Autos used for transporting the insured's personnel, tools, equipment and incidental supplies to or from a job location. This classification is confined to autos principally parked at 2 or fewer job locations for the majority of the working day or used to transport supervisory personnel between job locations.
- b. Extended Service Use - Autos used for transporting the insured's personnel, tools, equipment and incidental supplies to or from a job location. This classification is confined to autos principally parked at 3 to 5 job locations for the majority of the working day or used to transport supervisory personnel between job locations.
- c. Retail Use - Autos used to pick up property from, or deliver property to individual households.
- d. Commercial Use - Autos used for transporting property other than those autos defined as service, extended service or retail.

4. Radius Class - Determine radius on a straight line from the street address of principal garaging.

- a. Local (Up To 50 Miles) - The auto is not regularly operated beyond a radius of 50 miles from the street address where such auto is principally garaged.
- b. Limited Intermediate (51 To 100 Miles) - The auto is operated beyond a radius of 50 miles but not regularly beyond a radius of 100 miles from the street address where such auto is principally garaged.
- c. Intermediate (101 To 200 Miles) - The auto is operated beyond a radius of 100 miles but not regularly beyond a radius of 200 miles from the street address where such auto is principally garaged.
- d. Extended Intermediate (201 To 300 Miles) - The auto is operated beyond a radius of 200 miles but not regularly beyond a radius of 300 miles from the street address where such auto is principally garaged.
- e. Limited Long Distance (301 To 600 Miles) - The auto is operated regularly beyond a radius of 300 miles but not regularly beyond a radius of 600 miles from the street address where such auto is principally garaged. Apply zone rates for other than light trucks and trailers used with light trucks.
- f. Long Distance (601 To 1,200 Miles) - The auto is operated regularly beyond a radius of 600 miles but not regularly beyond a radius of 1200 miles from the street address where such auto is principally garaged. Apply zone rates for other than light trucks and trailers used with light trucks.
- g. Extended Long Distance (over 1,200 Miles) - The auto is operated regularly beyond 1,200 mile radius from the street address where such auto is principally garaged. Apply zone rates for other than light trucks and trailers used with light trucks.

5. Non-Fleet And Fleet Primary Classifications – Rating Factors And Statistical Codes

a. Local Radius

Size Class	Business Use Class	Codes		Radius Class	
				Local (up to 50 miles)	
				Liability Factor	Phys Dam Factor
Light Trucks (0 - 10,000 lbs G.V.W.)	Service	Non-Fleet Fleet	111-- 121--	1.00	1.00
	Extended Service	Non-Fleet Fleet	131-- 141--	1.05	1.00
	Retail	Non-Fleet Fleet	151-- 161--	1.50	1.05
	Commercial	Non-Fleet Fleet	171-- 181--	1.35	1.10
Medium Trucks (10,001 - 20,000 lbs G.V.W.)	Service	Non-Fleet Fleet	211-- 221--	1.05	0.75
	Extended Service	Non-Fleet Fleet	231-- 241--	1.10	0.75
	Retail	Non-Fleet Fleet	251-- 261--	1.55	0.80
	Commercial	Non-Fleet Fleet	271-- 281--	1.40	0.85
Heavy Trucks (20,001 - 45,000 lbs G.V.W.)	Service	Non-Fleet Fleet	311-- 321--	1.10	0.70
	Extended Service	Non-Fleet Fleet	331-- 341--	1.15	0.70
	Retail	Non-Fleet Fleet	351-- 361--	1.65	0.75
	Commercial	Non-Fleet Fleet	371-- 381--	1.50	0.80
Extra-Heavy Trucks (over 45,000 lbs G.V.W.)		Non-Fleet Fleet	491-- 401--	2.10	1.00
Heavy Truck-Tractors (0 - 45,000 lbs G.C.W.)	Service	Non-Fleet Fleet	511-- 521--	1.35	0.75
	Extended Service	Non-Fleet Fleet	531-- 541--	1.40	0.75
	Retail	Non-Fleet Fleet	551-- 561--	2.00	0.80
	Commercial	Non-Fleet Fleet	571-- 581--	1.85	0.85
Extra-Heavy Truck-Tractors (over 45,000 lbs G.C.W.)		Non-Fleet Fleet	691-- 601--	2.35	1.05
Trailer Types					
Semitrailers		Non-Fleet Fleet	7N1-- 7F1--	0.10	0.65
Trailers		Non-Fleet Fleet	8N1-- 8F1--	0.10	0.50
Service or Utility Trailer (2,000 lbs Load Capacity)		Non-Fleet Fleet	9N1-- 9F1--	0.00	0.40

Table 23.B.5.a Local Radius

b. Limited Intermediate

Size Class	Business Use Class	Codes	Radius Class	
			Limited Intermediate (51 to 100 miles)	
			Liability Factor	Phys Dam Factor
Light Trucks (0 - 10,000 lbs G.V.W.)	Service	Non-Fleet 112-- Fleet 122--	1.15	1.13
	Extended Service	Non-Fleet 132-- Fleet 142--	1.20	1.13
	Retail	Non-Fleet 152-- Fleet 162--	1.75	1.18
	Commercial	Non-Fleet 172-- Fleet 182--	1.60	1.28
Medium Trucks (10,001 - 20,000 lbs G.V.W.)	Service	Non-Fleet 212-- Fleet 222--	1.20	0.88
	Extended Service	Non-Fleet 232-- Fleet 242--	1.25	0.88
	Retail	Non-Fleet 252-- Fleet 262--	1.80	0.93
	Commercial	Non-Fleet 272-- Fleet 282--	1.65	0.98
Heavy Trucks (20,001 - 45,000 lbs G.V.W.)	Service	Non-Fleet 312-- Fleet 322--	1.40	0.80
	Extended Service	Non-Fleet 332-- Fleet 342--	1.45	0.80
	Retail	Non-Fleet 352-- Fleet 362--	2.05	0.85
	Commercial	Non-Fleet 372-- Fleet 382--	1.90	0.95
Extra-Heavy Trucks (over 45,000 lbs G.V.W.)		Non-Fleet 492-- Fleet 402--	2.70	1.20
Heavy Truck-Tractors (0 - 45,000 lbs G.C.W.)	Service	Non-Fleet 512-- Fleet 522--	1.65	0.85
	Extended Service	Non-Fleet 532-- Fleet 542--	1.70	0.85
	Retail	Non-Fleet 552-- Fleet 562--	2.45	0.90
	Commercial	Non-Fleet 572-- Fleet 582--	2.30	0.95
Extra-Heavy Truck-Tractors (over 45,000 lbs G.C.W.)		Non-Fleet 692-- Fleet 602--	3.00	1.20
Trailer Types				
Semitrailers		Non-Fleet 7N2-- Fleet 7F2--	0.15	0.75
Trailers		Non-Fleet 8N2-- Fleet 8F2--	0.15	0.60
Service or Utility Trailer (0 2,000 lbs Load Capacity)		Non-Fleet 9N2-- Fleet 9F2--	0.00	0.50

Table 23.B.5.b Limited Intermediate Radius

c. Intermediate

Size Class	Business Use Class	Codes	Radius Class	
			Intermediate (101 to 200 miles)	
			Liability Factor	Phys Dam Factor
Light Trucks (0 - 10,000 lbs G.V.W.)	Service	Non-Fleet 113-- Fleet 123--	1.20	1.15
	Extended Service	Non-Fleet 133-- Fleet 143--	1.25	1.15
	Retail	Non-Fleet 153-- Fleet 163--	1.80	1.20
	Commercial	Non-Fleet 173-- Fleet 183--	1.65	1.30
Medium Trucks (10,001 - 20,000 lbs G.V.W.)	Service	Non-Fleet 213-- Fleet 223--	1.25	0.90
	Extended Service	Non-Fleet 233-- Fleet 243--	1.30	0.90
	Retail	Non-Fleet 253-- Fleet 263--	1.85	0.95
	Commercial	Non-Fleet 273-- Fleet 283--	1.70	1.00
Heavy Trucks (20,001 - 45,000 lbs G.V.W.)	Service	Non-Fleet 313-- Fleet 323--	1.40	0.80
	Extended Service	Non-Fleet 333-- Fleet 343--	1.45	0.80
	Retail	Non-Fleet 353-- Fleet 363--	2.05	0.85
	Commercial	Non-Fleet 373-- Fleet 383--	1.90	0.95
Extra-Heavy Trucks (over 45,000 lbs G.V.W.)		Non-Fleet 493-- Fleet 403--	2.70	1.20
Heavy Truck-Tractors (0 - 45,000 lbs G.C.W.)	Service	Non-Fleet 513-- Fleet 523--	1.65	0.85
	Extended Service	Non-Fleet 533-- Fleet 543--	1.70	0.85
	Retail	Non-Fleet 553-- Fleet 563--	2.45	0.90
	Commercial	Non-Fleet 573-- Fleet 583--	2.30	0.95
Extra-Heavy Truck-Tractors (over 45,000 lbs G.C.W.)		Non-Fleet 693-- Fleet 603--	3.00	1.20
Trailer Types				
Semitrailers		Non-Fleet 7N3-- Fleet 7F3--	0.15	0.75
Trailers		Non-Fleet 8N3-- Fleet 8F3--	0.15	0.60
Service or Utility Trailer (2,000 lbs Load Capacity)		Non-Fleet 9N3-- Fleet 9F3--	0.00	0.50

Table 23.B.5.c Intermediate Radius

d. Extended Intermediate

Size Class	Business Use Class	Codes	Radius Class	
			Extended Intermediate (201 to 300 miles)	
			Liability Factor	Phys Dam Factor
Light Trucks (0 - 10,000 lbs G.V.W.)	Service	Non-Fleet 114-- Fleet 124--	1.25	1.17
	Extended Service	Non-Fleet 134-- Fleet 144--	1.30	1.17
	Retail	Non-Fleet 154-- Fleet 164--	1.85	1.22
	Commercial	Non-Fleet 174-- Fleet 184--	1.70	1.32
Medium Trucks (10,001 - 20,000 lbs G.V.W.)	Service	Non-Fleet 214-- Fleet 224--	1.30	0.92
	Extended Service	Non-Fleet 234-- Fleet 244--	1.35	0.92
	Retail	Non-Fleet 254-- Fleet 264--	1.90	0.97
	Commercial	Non-Fleet 274-- Fleet 284--	1.75	1.02
Heavy Trucks (20,001 - 45,000 lbs G.V.W.)	Service	Non-Fleet 314-- Fleet 324--	1.40	0.80
	Extended Service	Non-Fleet 334-- Fleet 344--	1.45	0.80
	Retail	Non-Fleet 354-- Fleet 364--	2.05	0.85
	Commercial	Non-Fleet 374-- Fleet 384--	1.90	0.95
Extra-Heavy Trucks (over 45,000 lbs G.V.W.)		Non-Fleet 494-- Fleet 404--	2.70	1.20
Heavy Truck-Tractors (0 - 45,000 lbs G.C.W.)	Service	Non-Fleet 514-- Fleet 524--	1.65	0.85
	Extended Service	Non-Fleet 534-- Fleet 544--	1.70	0.85
	Retail	Non-Fleet 554-- Fleet 564--	2.45	0.90
	Commercial	Non-Fleet 574-- Fleet 584--	2.30	0.95
Extra-Heavy Truck-Tractors (over 45,000 lbs G.C.W.)		Non-Fleet 694-- Fleet 604--	3.00	1.20
Trailer Types				
Semitrailers		Non-Fleet 7N4-- Fleet 7F4--	0.15	0.75
Trailers		Non-Fleet 8N4-- Fleet 8F4--	0.15	0.60
Service or Utility Trailer (0 2,000 lbs Load Capacity)		Non-Fleet 9N4-- Fleet 9F4--	0.00	0.50

Table 23.B.5.d Extended Intermediate Radius

e. Limited Long Distance

Size Class	Business Use Class	Codes	Radius Class	
			Limited Long Distance (301 to 600 miles)	
			Liability Factor	Phys Dam Factor
Light Trucks (0 - 10,000 lbs G.V.W.)	Service	Non-Fleet 115-- Fleet 125--	1.30	1.20
	Extended Service	Non-Fleet 135-- Fleet 145--	1.35	1.20
	Retail	Non-Fleet 155-- Fleet 165--	1.80	1.25
	Commercial	Non-Fleet 175-- Fleet 185--	1.75	1.35
ZONE RATED				
Medium Trucks (10,001 - 20,000 lbs G.V.W.)	Service	Non-Fleet 215-- Fleet 225--	0.90	1.00
	Extended Service	Non-Fleet 235-- Fleet 245--	0.90	1.00
	Retail	Non-Fleet 255-- Fleet 265--	0.90	1.00
	Commercial	Non-Fleet 275-- Fleet 285--	0.90	1.00
Heavy Trucks (20,001 - 45,000 lbs G.V.W.)	Service	Non-Fleet 315-- Fleet 325--	1.00	1.00
	Extended Service	Non-Fleet 335-- Fleet 345--	1.00	1.00
	Retail	Non-Fleet 355-- Fleet 365--	1.00	1.00
	Commercial	Non-Fleet 375-- Fleet 385--	1.00	1.00
Extra-Heavy Trucks (over 45,000 lbs G.V.W.)		Non-Fleet 495-- Fleet 405--	1.45	1.15
Heavy Truck-Tractors (0 - 45,000 lbs G.C.W.)	Service	Non-Fleet 515-- Fleet 525--	1.00	1.00
	Extended Service	Non-Fleet 535-- Fleet 545--	1.00	1.00
	Retail	Non-Fleet 555-- Fleet 565--	1.00	1.00
	Commercial	Non-Fleet 575-- Fleet 585--	1.00	1.00
Extra-Heavy Truck-Tractors (over 45,000 lbs G.C.W.)		Non-Fleet 695-- Fleet 605--	1.45	1.15
Trailer Types				
Semitrailers		Non-Fleet 7N5-- Fleet 7F5--	0.15	0.65
Trailers		Non-Fleet 8N5-- Fleet 8F5--	0.15	0.65
Service or Utility Trailer (2,000 lbs Load Capacity)		Non-Fleet 9N5-- Fleet 9F5--	0.00	0.65

Table 23.B.5.e Limited Long Distance Radius

f. Long Distance

Size Class	Business Use Class	Codes	Radius Class	
			Long Distance (601 to 1200 miles)	
			Liability Factor	Phys Dam Factor
Light Trucks (0 - 10,000 lbs G.V.W.)	Service	Non-Fleet 116-- Fleet 126--	1.40	1.25
	Extended Service	Non-Fleet 136-- Fleet 146--	1.45	1.25
	Retail	Non-Fleet 156-- Fleet 166--	1.90	1.30
	Commercial	Non-Fleet 176-- Fleet 186--	1.85	1.40
ZONE RATED				
Medium Trucks (10,001 - 20,000 lbs G.V.W.)	Service	Non-Fleet 216-- Fleet 226--	1.00	1.05
	Extended Service	Non-Fleet 236-- Fleet 246--	1.00	1.05
	Retail	Non-Fleet 256-- Fleet 266--	1.00	1.05
	Commercial	Non-Fleet 276-- Fleet 286--	1.00	1.05
Heavy Trucks (20,001 - 45,000 lbs G.V.W.)	Service	Non-Fleet 316-- Fleet 326--	1.10	1.05
	Extended Service	Non-Fleet 336-- Fleet 346--	1.10	1.05
	Retail	Non-Fleet 356-- Fleet 366--	1.10	1.05
	Commercial	Non-Fleet 376-- Fleet 386--	1.10	1.05
Extra-Heavy Trucks (over 45,000 lbs G.V.W.)		Non-Fleet 496-- Fleet 406--	1.55	1.20
Heavy Truck-Tractors (0 - 45,000 lbs G.C.W.)	Service	Non-Fleet 516-- Fleet 526--	1.10	1.05
	Extended Service	Non-Fleet 536-- Fleet 546--	1.10	1.05
	Retail	Non-Fleet 556-- Fleet 566--	1.10	1.05
	Commercial	Non-Fleet 576-- Fleet 586--	1.10	1.05
Extra-Heavy Truck-Tractors (over 45,000 lbs G.C.W.)		Non-Fleet 696-- Fleet 606--	1.55	1.20
Trailer Types				
Semitrailers		Non-Fleet 7N6-- Fleet 7F6--	0.15	0.65
Trailers		Non-Fleet 8N6-- Fleet 8F6--	0.15	0.65
Service or Utility Trailer (2,000 lbs Load Capacity)		Non-Fleet 9N6-- Fleet 9F6--	0.00	0.65

Table 23.B.5.f Long Distance Radius

g. Extended Long Distance

Size Class	Business Use Class	Codes	Radius Class	
			Extended Long Distance (over 1200 miles)	
			Liability Factor	Phys Dam Factor
Light Trucks (0 - 10,000 lbs G.V.W.)	Service	Non-Fleet 117-- Fleet 127--	1.50	1.30
	Extended Service	Non-Fleet 137-- Fleet 147--	1.55	1.30
	Retail	Non-Fleet 157-- Fleet 167--	2.00	1.35
	Commercial	Non-Fleet 177-- Fleet 187--	1.95	1.45
ZONE RATED				
Medium Trucks (10,001 - 20,000 lbs G.V.W.)	Service	Non-Fleet 217-- Fleet 227--	1.10	1.10
	Extended Service	Non-Fleet 237-- Fleet 247--	1.10	1.10
	Retail	Non-Fleet 257-- Fleet 267--	1.10	1.10
	Commercial	Non-Fleet 277-- Fleet 287--	1.10	1.10
Heavy Trucks (20,001 - 45,000 lbs G.V.W.)	Service	Non-Fleet 317-- Fleet 327--	1.20	1.10
	Extended Service	Non-Fleet 337-- Fleet 347--	1.20	1.10
	Retail	Non-Fleet 357-- Fleet 367--	1.20	1.10
	Commercial	Non-Fleet 377-- Fleet 387--	1.20	1.10
Extra-Heavy Trucks (over 45,000 lbs G.V.W.)		Non-Fleet 497-- Fleet 407--	1.65	1.25
Heavy Truck-Tractors (0 - 45,000 lbs G.C.W.)	Service	Non-Fleet 517-- Fleet 527--	1.20	1.10
	Extended Service	Non-Fleet 537-- Fleet 547--	1.20	1.10
	Retail	Non-Fleet 557-- Fleet 567--	1.20	1.10
	Commercial	Non-Fleet 577-- Fleet 587--	1.20	1.10
Extra-Heavy Truck-Tractors (over 45,000 lbs G.C.W.)		Non-Fleet 697-- Fleet 607--	1.65	1.25
Trailer Types				
Semitrailers		Non-Fleet 7N7-- Fleet 7F7--	0.15	0.65
Trailers		Non-Fleet 8N7-- Fleet 8F7--	0.15	0.65
Service or Utility Trailer (2,000 lbs Load Capacity)		Non-Fleet 9N7-- Fleet 9F7--	0.00	0.65

Table 23.B.5.f Long Distance Radius

Paragraph 23.C is replaced by the following:

C. Secondary Classification – Special Industry Class

1. Application - According to classification, combine the secondary factor in this section with the primary factor. Insert the code provided, in the 4th and 5th digit of the classification code.

2. Autos Having More Than One Use - Where more than one secondary rating factor applies, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification.

3. Trailer Types And Zone-Rated Autos

a. Codes - Use the classifications and codes provided in the tables of this section.

b. Factors - All secondary factors for Trailer Types and Zone-Rated Autos are zero (0.00). Do not use the factors provided in this section.

4. Truckers - Autos used to haul or transport goods, materials or commodities for another.

Truckers			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Common Carriers	0.65	0.65	---21
b. Contract Carriers (Other than Chemical or Iron and Steel Haulers)	0.65	0.65	---22
c. Contract Carriers Hauling Chemicals	0.65	0.65	---23
d. Contract Carriers Hauling Iron and Steel	0.65	0.65	---24
e. Exempt Carriers (Other Than Livestock Haulers)	0.65	0.65	---25
f. Exempt Carriers Hauling Livestock	0.65	0.65	---26
g. Carriers Engaged in Both Private Carriage and Transporting Goods, Materials or Commodities for Others	0.65	0.65	---02
h. Tow Trucks for Hire (24 hour service)	0.75	0.75	---03
i. Tow Trucks for Hire (other than 24 hour service)	0.65	0.65	---04
j. Household Good Movers (franchised)	-0.10	-0.10	---27
k. Household Good Movers (non-franchised)	0.00	0.00	---28
l. Mobile Home Toters	0.65	0.65	---20
m. All Other	0.65	0.65	---29

Table 23.C.4 Truckers

5. Food Delivery - Autos used by food manufacturers to transport raw and finished products or used in wholesale distribution of food.

Food Delivery			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Canneries and Packing Plants	0.40	0.40	---31
b. Fish and Seafood	0.40	0.40	---32
c. Frozen Food	0.40	0.40	---33
d. Fruit and Vegetable	0.40	0.40	---34
e. Meat or Poultry	0.40	0.40	---35
f. Pizza/Prepared Food	0.40	0.40	---30
g. Snack/Bakery Delivery	0.40	0.40	---06
h. Beverage Delivery (franchised)	0.30	0.30	---07
i. Beverage Delivery (non-franchised)	0.40	0.40	---08
j. Vending Machines	0.40	0.40	---36
k. Catering	0.40	0.40	---37
l. Dairy Products	0.40	0.40	---38
m. All Other	0.40	0.40	---39

Table 23.C.5 Food Delivery

6. Specialized Delivery - Autos used in deliveries subject to time and similar constraints.

Specialized Delivery			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Armored Cars	0.65	0.65	---41
b. Film Delivery	0.65	0.65	---42
c. Magazines or Newspapers	0.65	0.65	---43
d. Mail and Parcel Post - Bulk Mail Delivery	0.65	0.65	---44
e. Mail and Parcel Post - Other Than Bulk Mail Delivery	0.65	0.65	---45
f. Tools/Parts	0.00	0.00	---46
g. Couriers	0.65	0.65	---47
h. Building Materials Dealers	0.00	0.00	---48
i. All Other	0.65	0.65	---49

Table 23.C.6 Specialized Delivery

7. Waste Disposal - Autos transporting salvage and waste material for disposal or resale.

Waste Disposal			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Auto Dismantlers	0.25	0.25	---51
b. Building Wrecking Operators	0.25	0.25	---52
c. Garbage	0.25	0.25	---53
d. Junk Dealers	0.25	0.25	---54
e. All Other	0.25	0.25	---59

Table 23.C.7 Waste Disposal

8. Farmers

a. Autos owned by a farmer, used in connection with the operation of his own farm and occasionally used to haul commodities for other farmers.

Farmers			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Individually Owned or Family Corp. (Other Than Livestock Hauling)	-0.50	-0.50	---61
b. Livestock Hauling	-0.50	-0.50	---62
c. All Other	-0.50	-0.50	---69

Table 23.C.8 Farmers

9. Dump and Transit Mix (use these factors and codes only when no other secondary classification applies)

Dump and Transit Mix			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Excavating	-0.20	-0.20	---71
b. Sand and Gravel (Other than Quarrying) - For Hire	0.00	0.00	---72
c. Sand and Gravel (Other than Quarrying) - Not For Hire	-0.20	-0.20	---76
d. Mining	-0.20	-0.20	---73
e. Quarrying	-0.20	-0.20	---74
f. Concrete	0.00	0.00	---75
g. Cement Mixers/Pumpers	0.00	0.00	---77
h. All Other	-0.20	-0.20	---79

Table 23.C.9 Dump and Transit Mix

10. Contractors (Other than Dump Trucks)

Contractors			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Building Commercial	-0.05	-0.05	---81
b. Building Private Dwellings	-0.05	-0.05	---82
c. Electrical, Plumbing, Masonry, Plastering, and other Repair or Service (franchised)	-0.05	-0.05	---83
d. Electrical, Plumbing, Masonry, Plastering, and other Repair or Service (non-franchised)	-0.05	-0.05	---86
e. Excavating	-0.05	-0.05	---84
f. Street and Road (other than Municipal)	-0.05	-0.05	---85
g. Street Cleaning (other than Municipal)	0.00	0.00	---80
h. Landscaping with Plowing or Sanding	-0.05	-0.05	---87
i. Landscaping without Plowing or Sanding	-0.05	-0.05	---88
j. All Other	-0.05	-0.05	---89

Table 23.C.10 Contractors

11. Not Otherwise Specified

Not Otherwise Specified			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Logging and Lumbering	0.00	0.00	---91
b. Carpet Cleaners	0.00	0.00	---92
c. Locksmiths	0.00	0.00	---93
d. Miscellaneous Repair, excluding Contractors	0.00	0.00	---94
e. Vending Machines (non-food contents)	0.00	0.00	---95
f. Self-Propelled Food Carts	0.00	0.00	---96
g. Sandwich Trucks	0.00	0.00	---97
h. Janitorial Services (franchised only)	0.00	0.00	---98
g. All Other	0.00	0.00	---99

Table 23.C.11 Not Otherwise Specified

12. Municipal Operations

Municipal Operations			
Secondary Factor for Autos (Except Trailer Types and Zone-Rated Autos)			
Classification	Liability	Phys Dam	Code
a. Street Cleaning (State)	0.00	0.00	---10
b. Street Cleaning - City or Town Population less than 100,000	0.00	0.00	---11
c. Street Cleaning - City or Town Population 100,000 or more	0.00	0.00	---12
d. Waste Disposal (State)	0.00	0.00	---13
e. Waste Disposal - City or Town Population less than 100,000	0.00	0.00	---14
f. Waste Disposal - City or Town Population 100,000 or more	0.00	0.00	---15
g. Street/Road Maintenance (State)	0.00	0.00	---16
h. Street/Road Maintenance - City or Town Population less than 100,000	0.00	0.00	---17
i. Street/Road Maintenance - City or Town Population 100,000 or more	0.00	0.00	---18
j. All Other	0.00	0.00	---19

Table 23.C.12 Municipal Operations

24. TRUCKERS / MOTOR CARRIERS

Rule 24.A.3 is deleted

25. PREMIUM DEVELOPMENT - ZONE RATED AUTOS

Paragraph 25.A is replaced by the following:

A. Eligibility

Except for light trucks or trailers used with light trucks, this rule applies to trucks, tractors and trailers regularly operated beyond a 300 mile radius from the street address of principal garaging.

31. PRIVATE PASSENGER TYPES - ELIGIBILITY

Rule 31 is replaced by the following:

A. Definition - A private passenger auto is a four-wheel auto of the private passenger or station wagon type. A pickup, panel truck or van not used for business is rated as a private passenger auto.

B. Application - This subsection applies to all private passenger autos which are insured on a Business Auto, Motor Carrier, or Truckers Coverage Form.

C. Class Code and Use Factors -

1. Determine PPT usage using the following criteria:

- a. Personal/Family Use Only - private passenger vehicles with no business use
- b. Parked at work all day - private passenger vehicles with personal and business use and are parked at work the majority of the working day
- c. High Intensity Use - private passenger vehicles with personal and business use and are on the road for business purposes 20,000 miles or more per year
- d. All Other - private passenger vehicles not otherwise classified

2. Use Table 31.C.1 to determine PPT Class Code and Use Factor

Use	Fleet		Non Fleet	
	Code	Factor	Code	Factor
Personal/Family Use Only	7371	1.00	7372	1.00
Personal and Business Use				
-- Parked at work all day	7373	0.95	7374	0.95
-- High Intensity Use	7375	1.10	7376	1.10
-- All Other	7377	1.00	7378	1.00

Table 31.C.1 PPT Use Factors

Multiply the private passenger types rates developed from the state company rates/ISO loss costs for liability, physical damage, medical payments and basic no-fault coverages by the PPT Use Factor.

89. NON-OWNERSHIP LIABILITY

Class Codes 6638, 6639 and 6640 in table 89.C.1a.(1)(LC) are replaced by the following:

Class Code	Total Number of Employees	Liability Base Loss Cost
6601	0 - 25	\$ 139

90. HIRED AUTOS

B. Cost of Hire Basis - Liability Coverage

3. Premium Computation

g. The minimum premium for hired auto liability coverage at basic limits is **\$100**. If the minimum premium is charged and the cost of hire is not known, use Class Code 6619.

C. Cost of Hire Basis - Physical Damage Coverages

3. Premium Computation

- e. The minimum premium for hired auto physical damage coverage is **\$50**. If the minimum premium is charged and the cost of hire is not known, use Class Code 6614.

ADDITIONAL RULE(S)

A5. BODY TYPE CLASSIFICATIONS AND RATING FACTORS

1. Trucks, Tractors and Trailers

- a. Trucks, Truck-Tractors - Multiply the sum of the Primary and Secondary Factors by the Body Type Factor
b. Trailers, Zone Rated Autos - Multiply the Primary Factor by the Body Type Factor

2. Private Passenger Types

- a. Multiply the PPT Use Factor by the Body Type Factor

	Code	Body Type	Body Type Factor	
			Liability	Physical Damage
Trucks, Tractors	P	Pickup Truck	1.00	1.00
	G	Refrigerated Truck	1.00	1.00
	V	Van	1.00	1.00
	B	Straight or Box Truck	1.00	1.00
	D	Dump Truck	1.00	1.00
	W	Tow Truck	1.00	1.00
	E	Stake Truck	1.00	1.00
	F	Flatbed Truck	1.00	1.00
	C	Car Carrier	1.00	1.00
	R	Crane	1.00	1.00
	M	Cement Mixer	1.00	1.00
	X	Trucks or Tractors N.O.C.	1.00	1.00
Trailers	1	Dump Trailer	1.00	1.00
	2	Box Trailer	1.00	1.00
	3	Flatbed Trailer	1.00	1.00
	4	Refrigerated Trailer	1.00	1.00
	5	Tank Trailer	1.00	1.00
	6	Trailers N.O.C.	1.00	1.00
Private Passenger	U	SUV or Utility Vehicle	1.13	1.00
	Z	Sports Car	1.14	1.00
	N	Minivan	0.95	1.00
	K	Pickup Truck	1.03	1.00
	H	Private Passenger N.O.C.	1.00	1.00

Table A5. Body Type Factors

A6. DRIVER RATING

1. Driver Rating Factor

Each driver listed on the policy will be assigned a Driver Rating Factor based on the following criteria:

- a. Driver Age Group - assign the driver an Age Group using the following table:

Driver Age	Age Group
under 18	1
18 - 21	2
22 - 24	3
25 - 29	4
30 - 39	5
40 - 64	6
65 - 70	7
71+	8

Table A6.1.a Driver Age Groups

- b. Driver Record Group - For drivers with an active license, assign the driver a Record Group by the number of Major Events, Moving Violations, and Accidents that have occurred in 36 months prior to the effective date of the policy. Drivers with an inactive license are automatically assigned to Record Group F.

Assign the driver a Record Group using the following table:

License Status	Major Events	Moving Violations	Accidents	Record Group
Active	0	0	0	A
Active	0	0	1	B
Active	0	0	2	D
Active	0	0	3+	E
Active	0	1	0	B
Active	0	1	1	C
Active	0	1	2	D
Active	0	1	3+	F
Active	0	2	0	D
Active	0	2	1	E
Active	0	2	2+	F
Active	0	3+	0+	E
Active	1+	0+	0+	F
Inactive	0+	0+	0+	F

Table A6.1.b Driver Record Groups

- c. Driver Rating Factor - use Driver Age Group, Driver Record Group, and the following table to determine each driver's Driver Rating Factor

Age Group	Record Group					
	A	B	C	D	E	F
1	1.150	1.323	1.482	1.582	1.725	2.300
2	1.150	1.323	1.482	1.582	1.725	2.300
3	1.100	1.265	1.417	1.513	1.650	2.200
4	1.050	1.208	1.353	1.444	1.575	2.100
5	1.050	1.208	1.353	1.444	1.575	2.100
6	1.000	1.150	1.288	1.375	1.500	2.000
7	1.050	1.208	1.353	1.444	1.575	2.100
8	1.100	1.265	1.417	1.513	1.650	2.200

Table A6.1.c Driver Rating Factors

2. Driver Multiplier

The Driver Multiplier is a policy-level rating factor and will be applied to the premium for each applicable coverage prior to applying any Experience or Scheduled Modification factors. The Driver Multiplier will not be applied to the following coverages: Uninsured Motorists, Comprehensive, Specified Causes of Loss Physical Damage Coverage, Rental Reimbursement, Towing and Labor, Audio/Visual/Data Electronic Equipment, Tapes/Records/Discs, and any flat charges.

Determine the Driver Multiplier using the following rules:

- a. When the number of drivers is greater than or equal to the number of power units on the policy, the Driver Multiplier is a straight average of all of the Driver Rating Factors on the policy, rounded to 3 decimal places.

Example - Policy with 3 power units and 3 drivers

$$\begin{array}{rcl}
 \text{Driver Rating Factor - Driver 1} & = & 1.150 \\
 \text{Driver Rating Factor - Driver 2} & = & 1.000 \\
 \text{Driver Rating Factor - Driver 3} & = & 1.020 \\
 (1.150 + 1.000 + 1.020) / 3 & = & \underline{1.057} = \text{Driver Multiplier}
 \end{array}$$

- b. When the number of drivers is less than the number of power units on the policy, define the number of unassigned drivers to be the number of power units on the policy minus the number of drivers. Use a Driver Rating Factor of 1.10 for each unassigned driver. The Driver Multiplier is a straight average of all of the Driver Rating Factors on the policy,

rounded to 3 decimal places.

Example - Policy with 4 power units and 3 drivers

Driver Rating Factor - Driver 1	=	1.150
Driver Rating Factor - Driver 2	=	1.000
Driver Rating Factor - Driver 3	=	1.020
Unassigned Driver Factor	=	1.100
$(1.150 + 1.000 + 1.020 + 1.100) / 4 = 1.068 = \text{Driver Multiplier}$		

A7. AVENUE PRICING

1. Policy Type - determine the Policy Type using the table below

Policy Type	Description
PP	Policy has one or more power units, all of which are Private Passenger Types
LP	Policy has one or more power units, at least one Light Truck, and all of the power units are either Private Passenger Types or Light Trucks
MM	Policy has at least one power unit that is a Medium Truck, Heavy Truck, Heavy Truck-Tractor, Extra Heavy Truck, or Extra Heavy Truck-Tractor and the ratio of Medium, Heavy and Extra Heavy Trucks to the total number of power units is less than 25%
MH	Policy has at least one power unit that is a Medium Truck, Heavy Truck, Heavy Truck-Tractor, Extra Heavy Truck, or Extra Heavy Truck-Tractor and the ratio of Medium, Heavy and Extra Heavy Trucks to the total number of power units is greater than or equal to 25%
AO	Policies that are not otherwise classified above

Table A7.1 Policy Types

2. Liability Group - determine the Liability Group using the table below

Liability Group	Description
L1	Minimum Combined Single Limit of Liability on policy is less than \$1,000,000
L2	Minimum Combined Single Limit of Liability on policy is greater than or equal to \$1,000,000
L3	Policy has no liability coverage

Table A7.2 Liability Groups

3. Business Type - determine the Business Type of the Insured using the table below

Business Type	Description
A	Corporation or Municipality
B	Partnership or Limited Liability
C	Individually Owned
D	All Other Business Types

Table A7.3 Business Types

4. Power Unit Class - determine the Power Unit Class using the table below

Power Unit Class	Description
0	Policy has no power units
1	Policy has 1 power unit
2	Policy has 2 power units
3	Policy has 3 power units
4	Policy has 4 power units
5	Policy has 5 power units
6	Policy has 6 power units
7	Policy has 7 power units
8	Policy has 8 power units
9	Policy has 9 power units
10	Policy has 10 or more power units

Table A7.4 Power Unit Classes

5. Industry Group - determine the Industry Group using the table below

Industry Group	Industry Group Characteristics NAICS codes with characteristics including:		
	Expected Loss Ratio vs. Target	Expected Loss Frequency vs. Average	Expected Loss Severity vs. Average
A	At least 25% lower	Substantially Lower	Substantially Lower
B	At least 20% lower	Considerably Lower	Considerably Lower
C	At least 15% lower	Lower	Lower
D	At least 10% lower	Somewhat Lower	Somewhat Lower

E	At least 5% lower	and/or	Marginally Favorable	and/or	Marginally Favorable
F	At target		Average		Average
G	At least 5% higher		Marginally Adverse		Marginally Adverse
H	At least 10% higher		Somewhat Higher		Somewhat Higher
I	At least 15% higher		Higher		Higher
J	At least 20% higher		Considerably Higher		Considerably Higher
K	At least 25% higher		Substantially Higher		Substantially Higher

Table A7.5 Industry Groups

6. Policy Avenue and Avenue Pricing Multipliers

a. Policy Types PP, LP, MH and AO

Assign a Policy Avenue from 1 to 100 using the policy attributes determined in preceding rules 1-5. For Power Unit Class 10, refer to underwriting rules for placement into a Policy Avenue from 101 to 105.

b. Policy Type MM

Refer to underwriting rules for placement into a Policy Avenue from 101 to 105.

Policy Avenue	Avenue Pricing Multiplier	Policy Avenue	Avenue Pricing Multiplier	Policy Avenue	Avenue Pricing Multiplier
1	0.400	51	0.900	101	0.750
2	0.410	52	0.910	101A	0.800
3	0.420	53	0.920	101B	0.850
4	0.430	54	0.930	102	0.900
5	0.440	55	0.940	102A	0.950
6	0.450	56	0.950	103	1.000
7	0.460	57	0.960	103A	1.050
8	0.470	58	0.970	104	1.100
9	0.480	59	0.980	104A	1.150
10	0.490	60	0.990	104B	1.200
11	0.500	61	1.000	105	1.250
12	0.510	62	1.010		
13	0.520	63	1.020		
14	0.530	64	1.030		
15	0.540	65	1.040		
16	0.550	66	1.050		
17	0.560	67	1.060		
18	0.570	68	1.070		
19	0.580	69	1.080		
20	0.590	70	1.090		
21	0.600	71	1.100		
22	0.610	72	1.110		
23	0.620	73	1.120		
24	0.630	74	1.130		
25	0.640	75	1.140		
26	0.650	76	1.150		
27	0.660	77	1.160		
28	0.670	78	1.170		
29	0.680	79	1.180		
30	0.690	80	1.190		
31	0.700	81	1.200		
32	0.710	82	1.210		
33	0.720	83	1.220		
34	0.730	84	1.230		
35	0.740	85	1.240		
36	0.750	86	1.250		
37	0.760	87	1.260		
38	0.770	88	1.270		
39	0.780	89	1.280		
40	0.790	90	1.290		
41	0.800	91	1.300		
42	0.810	92	1.310		
43	0.820	93	1.320		
44	0.830	94	1.330		
45	0.840	95	1.340		
46	0.850	96	1.350		
47	0.860	97	1.360		
48	0.870	98	1.370		

49	0.880	99	1.380
50	0.890	100	1.390

Table A7.6 Avenue Pricing Multipliers

c. The Avenue Pricing Multiplier will be applied to the premium for each applicable coverage prior to applying any Experience or Scheduled Modification factors. The Avenue Pricing Multiplier will not be applied to Uninsured Motorists Coverages or any flat charges.

COMMERCIAL AUTO LIABILITY EXPERIENCE AND SCHEDULE RATING PLAN

Rule 2.C Expected Loss Ratio is **48.5%**

Rule 2.E Eligibility for Schedule Rating

Paragraph 2.E is replaced by the following:

E. Eligibility for Schedule Rating

Any risk that develops a premium of \$500 for the exposures to be rated shall be eligible for the application of the schedule rating modification provisions of this Plan.

Rule 5.H Actual Experience Ratio

The following is added to Paragraph 5.H:

If the experience modification is a credit, the maximum allowable credit is limited to 40%.

If the experience modification is a debit, the maximum allowable debit is limited to 40%.

COMMERCIAL AUTO PHYSICAL DAMAGE EXPERIENCE AND SCHEDULE RATING PLAN

Rule 2.B Expected Loss Ratio is **41.0%**

Rule 2.D Eligibility for Schedule Rating

Paragraph 2.D is replaced by the following:

D. Eligibility for Schedule Rating

Any risk that develops a premium of \$500 for the exposures to be rated shall be eligible for the application of the schedule rating modification provisions of this Plan.

Rule 5.F Experience Modification

The following is added to Paragraph 5.F:

If the experience modification is a credit, the maximum allowable credit is limited to 40%.

If the experience modification is a debit, the maximum allowable debit is limited to 40%.

**COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES
ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY**

**DISTRICT OF
COLUMBIA (08)
TERRITORY 101**

LIABILITY	
Limit of Liab. \$100,000	
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS	
	\$ 694
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS	
	\$ 484
RULE 40. PUBLIC AUTO CLASSIFICATIONS -	
- TAXICABS AND LIMOUSINES	\$ 4,303
- SCHOOL AND CHURCH BUSES	\$ 382
- OTHER BUSES	\$ 2,637
- VAN POOLS	\$ 1,041
<ul style="list-style-type: none"> • For liability increased limits factors, refer to Rule 100. • For liability fleet factors, refer to Rules 22. and 39. • For Medical Payments, refer to Rules 49. and 92., as applicable. 	

**COMMERCIAL LINES MANUAL
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LOSS COST PAGES
ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY**

**DISTRICT OF
COLUMBIA (08)
TERRITORY 101**

PHYSICAL DAMAGE			
Original Cost New Range \$15,001 - 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
- Local And Intermediate - All Vehicles			
- Long Distance - Light Trucks and Trailers Used with Light Trucks			
	\$ 55	\$ 77	\$ 216
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 89	\$ 370
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
- TAXICABS AND LIMOUSINES			
	\$ 56	\$ 79	\$ 274
- SCHOOL AND CHURCH BUSES			
	\$ 39	\$ 54	\$ 140
- OTHER BUSES			
	\$ 39	\$ 54	\$ 140
- VAN POOLS			
	\$ 56	\$ 79	\$ 274
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

90. HIRED AUTOS

Cost of Hire Basis - All Territories
Liability Base Loss Cost
\$1.21

Table 90.B.3.b.(LC) Cost Of Hire Basis Liability Loss Cost

(The remainder of the Hired Auto loss costs are unchanged.)

State:	District of Columbia	Filing Company:	Allmerica Financial Benefit Insurance Company
TOI/Sub-TOI:	20.0 Commercial Auto/20.0000 Commercial Auto Combinations		
Product Name:	DC- CAPE Auto Filing		
Project Name/Number:	Commercial Lines/CA /DC-CA-19657		

Supporting Document Schedules

Bypassed - Item:	Consulting Authorization
Bypass Reason:	N/A - we are not a third party filer
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Certification (P&C)
Comments:	
Attachment(s):	Motor Vehicle Ins. Rate & Rule Filing Certification - Cape.pdf
Item Status:	
Status Date:	

Satisfied - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Comments:	
Attachment(s):	DC Experience Worksheet - Cape.pdf
Item Status:	
Status Date:	

Satisfied - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Comments:	
Attachment(s):	IRR Memo & Exhibits.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Explanatory Memo
Comments:	
Attachment(s):	DC Cape Explanatory Memo.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Support Documents
Comments:	
Attachment(s):	Exhibit 1 - State Indication.pdf Exhibit 2 ~ CAPE.pdf
Item Status:	

SERFF Tracking #:	HNVR-132139449	State Tracking #:		Company Tracking #:	DC-CA-19657
State:	District of Columbia	Filing Company:	Allmerica Financial Benefit Insurance Company		
TOI/Sub-TOI:	20.0 Commercial Auto/20.0000 Commercial Auto Combinations				
Product Name:	DC- CAPE Auto Filing				
Project Name/Number:	Commercial Lines/CA /DC-CA-19657				
Status Date:					

**DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
INSURANCE ADMINISTRATION**

MOTOR VEHICLE INSURANCE RATE AND RULE FILING CERTIFICATION

A. Name of company or rating organization and mailing address:

Allmerica Financial Benefit Insurance Company

B. Date of Filing: _____ Proposed Effective Date **3/1/2020**

C. Private Passenger Automobile _____

Commercial Automobile **X**

Notes: _____ A Premium Survey Form must be attached to every private passenger automobile filing.

_____ All following questions shall be answered in reference to the type of insurance, private passenger or commercial, checked above.

_____ All information shall be for the District of Columbia only, unless otherwise specified.

D. Briefly state the purpose of this filing.

With this filing, we are revising our proprietary loss costs for PPT, TTT, Public, and Hired Auto vehicle types. These loss costs will mirror those filed in ISO reference filing CA-2019-BRLA1. We are also updating Hired Auto minimum premiums, adopting Non-ownership Liability subject to our system limitations and typo correction on BA Coverage Broadening Endorsement class code.

E. Is this an independent filing **No** a "me too" filing **No** or a filing related to the approved filing of a rating organization **Yes**?

If not an independent filing, specify the approval date and reference number (if applicable) of the related filing.

F. List all rate level changes for the District for the last five years:

<u>Effective Date</u>	<u>Overall Rate Level Change</u>
12/1/2015	11.3%
2/1/2018	0.1%
2/1/2019	6.3%

G. Show the growth in the number of policies in force in the District of Columbia over the last five years:

<u>Number Of CAPE Policies In Force As Of December 31st</u>						
		<u>Voluntary</u>		<u>Assigned Risk</u>	<u>Grand Total</u>	<u>Percent Growth</u>
		<u>New</u>	<u>Renewal</u>			
5th Prior Year 20	<u>14</u>	<u>20</u>	<u>28</u>	<u>0</u>	<u>48</u>	<u>XXX</u>
4th Prior Year 20	<u>15</u>	<u>14</u>	<u>37</u>	<u>0</u>	<u>51</u>	<u>6%</u>
3rd Prior Year 20	<u>16</u>	<u>19</u>	<u>47</u>	<u>0</u>	<u>66</u>	<u>29%</u>
2nd Prior Year 20	<u>17</u>	<u>9</u>	<u>50</u>	<u>0</u>	<u>59</u>	<u>-11%</u>
1st Prior Year 20	<u>18</u>	<u>11</u>	<u>45</u>	<u>0</u>	<u>56</u>	<u>-5%</u>

- H. Show the maximum and minimum rate level effect of this filing by coverage. These effects shall illustrate the maximum filing by coverage. These effects shall illustrate the maximum increase (or smallest decrease) and minimum increase (or largest decrease) which will result to any insured from the proposed changes to rates and rating factors.

The calculation of these effects shall be: the proposed change in the base rate, times the maximum (or minimum) change to each rating factor affecting that coverage.

For instance, a rate revision could include changes to classification factors, increased limit factors, deductible relativities, and model year/symbol factors.

For bodily injury, the maximum change would be the base rate change times the maximum change to classification factors times the maximum change to increased limits factors. The minimum change would be the base rate change times the minimum change to each of these rating factors. For collision coverage, a similar calculation would be done using different rating factors.

<u>Coverage</u>	<u>Percentage Rate Level Changes</u>	
	<u>Minimum</u>	<u>Maximum</u>
Bodily Injury	--	--
Property Damage	--	--
Collision	0.0%	6.02%
Comprehensive	0.0%	0.0%
Uninsured Motorists	0.0%	0.0%
Towing and Labor	0.0%	0.0%
Personal Injury Protection	0.0%	0.0%
Other (Combined Single Limit + Med Pay)	0.0%	50.1%
All	0.0%	50.1%

- I. Please provide information on the actuarial supporting data:

(1) Calendar Year

Accident Year

Policy Year

Other (Specify)

see Exhibit 1

Basic Limits

Total Limits

see Exhibit 1

If total limits data has been provided, specify the part of the filing which illustrates how large losses have been considered:

Exhibit 1, pages 3-5. Incurred Losses are limited to \$250,000 and a large loss (percent of premium) load is applied based on our Countrywide loss experience

- (2) All rate filings shall mathematically consider investment income, pursuant to D.C. Code, Section 35-1703 (h), 1981 Edition (as amended). Specify the part of the filing which mathematically determines investment income:

See Investment Income Exhibit

- (3) Please provide a chart showing the number of earned exposures for each coverage and each year of experience. See Exhibit 2

- (4) Please provide a chart showing the actual written premium by coverage which was used to calculate the overall percentage rate change. See Exhibit 2

- J. The following data should be part of the data submitted on page 14 of the Annual Statement for the most recent two years for the District of Columbia; only voluntary (not assigned risk) business shall be shown:


<u>Coverage</u>	<u>Most Recent Year (2018)</u>			
	<u>Direct Premiums</u>		<u>Direct Losses</u>	
	<u>Written</u>	<u>Earned</u>	<u>Paid</u>	<u>Incurred</u>
Bodily Injury				
Property Damage				
Uninsured Motorist				
Other Liability (CSL + Med Pay)	504,979	438,937	9,273	191,595
Total	504,979	438,937	9,273	191,595
Personal Injury Protection	6,190	5,307		-79,975
Collision				
Comprehensive				
Other Physical Damage	103,534	87,947	84,524	3,504
Total	103,534	87,947	84,524	3,504

Prior Year (2017)

Coverage	Direct Premiums		Direct Losses	
	Written	Earned	Paid	Incurred
Bodily Injury				
Property Damage				
Uninsured Motorist				
Other Liability (CSL + Med Pay)	435,659	435,998	-38,479	299,716
Total	435,659	435,998	-38,479	299,716
Personal Injury Protection	5,753	6,142	3,126	20,484
Collision				
Comprehensive				
Other Physical Damage	93,783	100,641	72,285	3,932
Total	99,536	106,783	75,411	24,416

Underwriting Income/Earned Premiums 49.4%

As an authorized representative of this Company or rating organization, I hereby certify that to the best of my knowledge and belief the attached filing complies with all applicable laws, regulations, and bulletins of the District of Columbia.

<p align="center"><u>Levi Kamenetsky, FCAS</u></p> <p align="center">NAME OF AUTHORIZED REPRESENTATIVE</p>	<p align="center"></p> <p align="center">SIGNATURE</p>
<p align="center"><u>AVP, Commercial Auto</u></p> <p align="center">TITLE</p>	<p align="center"><u>508-855-4021</u></p> <p align="center">TELEPHONE NUMBER</p>

DISTRICT OF COLUMBIA EXPERIENCE WORKSHEET

District of Columbia

	20 <u>14</u>	20 <u>15</u>	20 <u>16</u>	20 <u>17</u>	20 <u>18</u>
Written Premium	<u>351,645</u>	<u>426,724</u>	<u>538,736</u>	<u>535,195</u>	<u>608,513</u>
Policy Inforce	<u>48</u>	<u>51</u>	<u>66</u>	<u>59</u>	<u>79</u>
Rate Changes	<u>n/a</u>	<u>11.3%</u>	<u>n/a</u>	<u>n/a</u>	<u>0.1%</u>

Countrywide

	20 <u>14</u>	20 <u>15</u>	20 <u>16</u>	20 <u>17</u>	20 <u>18</u>
Written Premium	<u>164,256,225</u>	<u>175,590,189</u>	<u>192,630,476</u>	<u>216,932,753</u>	<u>225,358,658</u>
Policy Inforce	<u>28,020</u>	<u>27,805</u>	<u>27,925</u>	<u>30,074</u>	<u>29,967</u>
Rate Changes	<u>5.8%</u>	<u>6.8%</u>	<u>0.9%</u>	<u>1.6%</u>	<u>6.2%</u>

Reflection of Investment Income in Rates Commercial Auto District of Columbia

The Hanover Insurance Group utilizes an internal rate of return (IRR) model on a net of reinsurance basis to determine the profit provision for our various lines of business. The IRR is the expected rate of return generated from modeling insurance company operations. Hanover targets a 13% after-tax rate of return. This implies that the underwriting and investment income attributable to the insurance transaction yields a 13% return on the shareholders' equity to support the insurance writings. The IRR model produces a target combined ratio on a net basis. The net target combined ratio is then converted to a direct basis with the assumption that the profit is not attributable to the ceded premium because reinsurer's profit is contemplated in the reinsurance margin. The conversion is based on the following formula:

$$\text{Direct Target Combined Ratio} = \frac{(\text{Net Premium @ 13\% Rate of Return} \times \text{Net Target Combined Ratio}) + \text{Ceded Premium}}{\text{Total Direct Premium}}$$

The results are shown in Table 4. Details regarding the expense, loss and surplus assumptions are summarized below.

The IRR model is a single policyholder model, i.e. the profit provision is determined by modeling the cash flows for a hypothetical policyholder. The cash flows in the IRR model can be segregated into three categories: premium, loss and expense.

The expenses assumed in this model are countrywide line-of-business-specific figures, shown in Table 3. The split of the general and other acquisition expenses between fixed and variable is based on a review of our Insurance Expense Exhibit.

To properly model the cash flows, we need to estimate when the premium is collected and expenses are paid. The premium collection pattern is based on a countrywide analysis of the payment plans for the line of business. Premium is earned evenly over the policy term. The expenses are paid as premium is earned.

The loss and DCCE payment pattern is based on a countrywide analysis of our net paid and incurred loss development triangles. The ultimate net loss ratio is based on the prospective estimate obtained from our planning process. The undiscounted loss and DCCE reserve represents the difference between the incurred loss and DCCE and any payments made to date. The published IRS discount factors are utilized to determine the discounted loss reserve used in the income tax calculation.

The required surplus associated with the transaction changes over time and is related to the sum of the unearned premium and loss reserves based on the reserve-to-surplus (R:S) and premium-to-surplus (P:S) ratio assumptions. To obtain the line of business P:S ratios, a companywide total required surplus is allocated to individual lines of business based on the risks associated with each of the lines. These risks include underwriting (both catastrophe and excluding catastrophe), reserving, investment, credit and operational. The total assets are the sum of the unearned premium and loss reserves plus the required surplus. The assets available for investment are the total assets less any premium receivable and expenses paid.

The investment income is that attributable to the average investable assets from the balance sheet in the model. The pre-tax investment yield used in the model is determined based on a combination of yields from existing and newly-invested assets. The underwriting income represents the difference between earned premium and incurred loss and expense. The model assumes expense is incurred based on each expense component's assumed patterns. The change in surplus represents the difference between the ending and beginning required surplus from the balance sheet. The post-tax equity flow is the difference between the pre-tax income and the change in surplus adjusted for the estimated income tax. These equity flows are evaluated to determine the implied internal rate of return.

The Hanover Insurance Group Internal Rate of Return Calculation

Commercial Auto Liability

TABLE 1: Key Target Inputs

Target ROE	13.0%
Premium-to-Surplus	2.16
Reserve-to-Surplus	4.50
Tax Rate	21.0%
Pre-Tax Investment Yield	3.7%
Initial Premium	1,000
Net-to-Direct Ratio	99.6%

TABLE 2: Loss Ratio Inputs

Expected Ex Cat Loss Ratio	60.6%
Expected Cat Ratio	0.0%
DCCE (% loss)	8.4%

TABLE 5: Internal Rate of Return Analysis

Time Period					Premium						Expenses Incl. AOE			Losses + DCCE Including Catastrophes						
Year	Quarter	Mid	NPV Factor @ 13.0%	IRS Discount Factor	Written			Earned			Inc'd	Paid	Resv	Case Incurred		Paid		Loss & DCCE Reserve		
					Collected	Rcvble		Unearned Premium Reserve												
								End	Avg											
0	0	0	1.00	1.00	1,120	13%	973		1,120	980	220	220			%	\$	%	\$	End	Avg
1	1	1/8	0.98	0.94		26%	686	280	840	980	58	45	14	25%	164	2%	12	152	76	
1	2	3/8	0.96	0.94		26%	398	280	560	700	58	45	27	25%	164	4%	25	291	222	
1	3	5/8	0.93	0.94		26%	112	280	280	420	58	46	39	25%	164	5%	35	421	356	
1	4	7/8	0.90	0.94		10%		280		140	58	46	51	25%	164	6%	41	544	482	
2	1	1 1/8	0.87	0.94		0%						25	27			6%	37	507	526	
2	2	1 3/8	0.85	0.94		0%						2	24			5%	31	476	492	
2	3	1 5/8	0.82	0.94		0%						2	22			5%	31	445	460	
2	4	1 7/8	0.80	0.94		0%						2	20			5%	33	412	428	
3	1	2 1/8	0.77	0.95		0%						2	18			5%	33	379	395	
3	2	2 3/8	0.75	0.95		0%						2	17			5%	35	344	361	
3	3	2 5/8	0.73	0.95		0%						2	15			5%	35	309	327	
3	4	2 7/8	0.70	0.95		0%						2	13			5%	34	275	292	
4	1	3 1/8	0.68	0.95		0%						2	12			5%	33	242	259	
4	2	3 3/8	0.66	0.95		0%						2	10			5%	31	211	227	
4	3	3 5/8	0.64	0.95		0%						1	9			4%	29	182	196	
4	4	3 7/8	0.62	0.95		0%						1	7			4%	27	155	168	
5	4	4 1/2	0.58	0.95		0%						4	4			12%	81	74	115	
6	4	5 1/2	0.51	0.95		0%						2	2			7%	43	32	53	
7	4	6 1/2	0.45	0.95		0%						1	1			3%	17	15	23	
8	4	7 1/2	0.40	0.95		0%						0	0			1%	9	6	10	
9	4	8 1/2	0.35	0.96		0%						0	0			1%	4	2	4	
10	4	9 1/2	0.31	0.98		0%						0	0			0%	1	1	2	
11	4	10 1/2	0.28	0.98		0%						0	0			0%	1	0	1	
12	4	11 1/2	0.25	0.98		0%						0	0			0%	0	0	0	
13	4	12 1/2	0.22	0.98		0%						0	0			0%	0	0	0	
14	4	13 1/2	0.19	0.98		0%						0	0			0%	0	0	0	
15	4	14 1/2	0.17	0.98		0%						0	0			0%	0	0	0	
16	4	15 1/2	0.15	0.98		0%						0	0			0%	0	0	0	
17	4	14 1/2	0.17	0.98		0%						0	0			0%	0	0	0	
18	4	17 1/2	0.12	0.98		0%						0	0			0%	0	0	0	
19	4	18 1/2	0.10	0.98		0%						0	0			0%	0	0	0	
20	4	19 1/2	0.09	0.98		0%						0	0			0%	0	0	0	
21	4	20 1/2	0.08	0.98		0%						0	0			0%	0	0	0	
22	4	21 1/2	0.07	0.98		0%						0	0			0%	0	0	0	
23	4	22 1/2	0.06	0.98		0%						0	0			0%	0	0	0	
24	4	23 1/2	0.06	0.98		0%						0	0			0%	0	0	0	
25	4	24 1/2	0.05	0.98		0%						0	0			0%	0	0	0	
26	4	25 1/2	0.04	0.98		0%						0	0			0%	0	0	0	
27	4	26 1/2	0.04	0.98		0%						0	0			0%	0	0	0	
28	4	27 1/2	0.03	0.98		0%						0	0			0%	0	0	0	
29	4	28 1/2	0.03	0.98		0%						0	0			0%	0	0	0	
30	4	29 1/2	0.03	0.98		0%						0	0			0%	0	(0)	0	
Total					1,120	100%		1,120			454	454		100%	656	100%	656			

Average Reserve Balance		(421)		700	560		87		1,467	1,525
Average Weighted Life	0.38		0.50		0.46	1.62		2.82		2.01

The Hanover Insurance Group Internal Rate of Return Calculation

Commercial Auto Liability

TABLE 3: Expense / Misc Income Inputs

	% of prem	% fixed
Commissions	14.7%	0%
Contingent Commissions	2.0%	0%
Premium Tax	2.4%	0%
General Expenses	11.2%	50%
Other Acquisitions	5.6%	50%
Dividends	0.0%	0%
Reinsurance	0.0%	100%
AOE ("ULAE")	6.3%	100%
Subtotal	42.1%	
Miscellaneous Income	0.27%	0%
Other Operating Expenses	0.1%	0%
Interest Expense	0.7%	

TABLE 4: Key Target Results After Iteration

Final Direct Combined Ratio	98.2%
Direct Profit & Contingencies Provision	1.8%

TABLE 5: Internal Rate of Return Analysis

Year	Quarter	Underwriting Income						Surplus				Average Investible Assets	Investment Income			Equity Flow
		Tax Rate: 21.0%						R/S:	4.50	P/S:	2.16		BT yield	Tax	AT yield	
		PreTax	Change in Tax Reserves	Misc Income	Taxable Income	Tax	Net	UEPR + Loss Resv	Required Surplus		Chg		3.7%	21.0%	2.9%	
									End	Avg			Amt	Tax	Net	
0	0	(220)	-		4		(220)	1,120	249		249	-				(469)
1	1	58	155	1	12	3	55	992	220	235	(28)	468	4	1	3	87
1	2	58	155	1	11	2	56	851	189	205	(31)	604	6	1	4	92
1	3	58	156	1	11	2	56	701	156	172	(33)	726	7	1	5	95
1	4	58	156	1	10	2	56	544	121	138	(35)	750	7	1	5	97
2	1	-	6		(6)	(1)	1	507	113	117	(8)	682	6	1	5	14
2	2	-	2		(2)	(0)	0	476	106	109	(7)	626	6	1	5	12
2	3	-	2		(2)	(0)	0	445	99	102	(7)	586	5	1	4	12
2	4	-	2		(2)	(0)	0	412	92	95	(7)	545	5	1	4	12
3	1	-	4		(4)	(1)	1	379	84	88	(7)	502	5	1	4	12
3	2	-	2		(2)	(0)	0	344	76	80	(8)	459	4	1	3	11
3	3	-	2		(2)	(0)	0	309	69	73	(8)	415	4	1	3	11
3	4	-	2		(2)	(0)	0	275	61	65	(8)	371	3	1	3	11
4	1	-	2		(2)	(0)	0	242	54	58	(7)	329	3	1	2	10
4	2	-	2		(2)	(0)	0	211	47	50	(7)	288	3	1	2	9
4	3	-	1		(1)	(0)	0	182	40	44	(6)	250	2	0	2	9
4	4	-	1		(1)	(0)	0	155	34	37	(6)	214	2	0	2	8
5	4	-	4		(4)	(1)	1	74	17	26	(18)	146	5	1	4	23
6	4	-	2		(2)	(0)	0	32	7	12	(10)	67	2	1	2	12
7	4	-	1		(1)	(0)	0	15	3	5	(4)	29	1	0	1	5
8	4	-	0		(0)	(0)	0	6	1	2	(2)	13	0	0	0	2
9	4	-	0		(0)	(0)	0	2	0	1	(1)	5	0	0	0	1
10	4	-	0		(0)	(0)	0	1	0	0	(0)	2	0	0	0	0
11	4	-	0		(0)	(0)	0	0	0	0	(0)	1	0	0	0	0
12	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
13	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
14	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
15	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
16	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
17	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
18	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
19	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
20	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
21	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
22	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
23	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
24	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
25	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
26	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
27	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
28	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
29	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
30	4	-	0		(0)	(0)	0	0	0	0	(0)	0	0	0	0	0
Total		10	3	13	3	10	8,277						82	17	65	

Average Reserve Balance

2,167

463

2,218

NPV @ 13.0%

UW Income	(5)
Inv Income	51
- Surplus	(46)
Total	0

The Hanover Insurance Group Internal Rate of Return Calculation

Commercial Auto Physical Damage

TABLE 1: Key Target Inputs

Target ROE	13.0%
Premium-to-Surplus	6.28
Reserve-to-Surplus	3.68
Tax Rate	21.0%
Pre-Tax Investment Yield	3.7%
Initial Premium	1,000
Net-to-Direct Ratio	99.7%

TABLE 2: Loss Ratio Inputs

Expected Ex Cat Loss Ratio	58.1%
Expected Cat Ratio	4.8%
DCCE (% loss)	0.6%

TABLE 5: Internal Rate of Return Analysis

Time Period					Premium						Expenses Incl. AOE			Losses + DCCE Including Catastrophes					
Year	Quarter	Mid	NPV Factor @ 13.0%	IRS Discount Factor	Written			Earned			Inc'd	Paid	Resv	Case Incurred		Paid		Loss & DCCE Reserve	
					Collected	Rcvble		Unearned Premium Reserve											
								End	Avg										
0	0	0	1.00	1.00	1,108	13%	963		1,108		215	215		%	\$	%	\$	End	Avg
1	1	1/8	0.98	0.98		26%	679	277	831	970	58	49	9	25%	158	17%	111	48	24
1	2	3/8	0.96	0.98		26%	394	277	554	693	58	52	16	25%	158	25%	160	46	47
1	3	5/8	0.93	0.98		26%	111	277	277	416	58	52	23	25%	158	25%	158	46	46
1	4	7/8	0.90	0.98		10%		277		139	58	52	30	25%	158	25%	158	47	47
2	1	1 1/8	0.87	0.97		0%						28	1			10%	65	(18)	14
2	2	1 3/8	0.85	0.97		0%						1	1			-1%	-5	(13)	(16)
2	3	1 5/8	0.82	0.97		0%						1	0			-1%	-5	(9)	(11)
2	4	1 7/8	0.80	0.97		0%						1	-0			-1%	-3	(5)	(7)
3	1	2 1/8	0.77	0.98		0%						(0)	-0			0%	-1	(4)	(5)
3	2	2 3/8	0.75	0.98		0%						(0)	-0			0%	-1	(3)	(4)
3	3	2 5/8	0.73	0.98		0%						(0)	-0			0%	-1	(2)	(3)
3	4	2 7/8	0.70	0.98		0%						(0)	-0			0%	-1	(1)	(2)
4	1	3 1/8	0.68	0.98		0%						(0)	-0			0%	-0	(1)	(1)
4	2	3 3/8	0.66	0.98		0%						(0)	-0			0%	-0	(1)	(1)
4	3	3 5/8	0.64	0.98		0%						(0)	-0			0%	-0	(1)	(1)
4	4	3 7/8	0.62	0.98		0%						(0)	-0			0%	-0	(1)	(1)
5	4	4 1/2	0.58	0.98		0%						(0)	-0			0%	-1	(0)	(0)
6	4	5 1/2	0.51	0.98		0%						(0)	0			0%	-0	0	(0)
7	4	6 1/2	0.45	0.98		0%						0	-0			0%	0	(0)	0
8	4	7 1/2	0.40	0.98		0%						-	-0			0%		(0)	(0)
9	4	8 1/2	0.35	0.98		0%						-	-0			0%		(0)	(0)
10	4	9 1/2	0.31	0.98		0%						-	-0			0%		(0)	(0)
11	4	10 1/2	0.28	0.98		0%						-	-0			0%		(0)	(0)
12	4	11 1/2	0.25	0.98		0%						-	-0			0%		(0)	(0)
13	4	12 1/2	0.22	0.98		0%						-	-0			0%		(0)	(0)
14	4	13 1/2	0.19	0.98		0%						-	-0			0%		(0)	(0)
15	4	14 1/2	0.17	0.98		0%						-	-0			0%		(0)	(0)
16	4	15 1/2	0.15	0.98		0%						-	-0			0%		(0)	(0)
17	4	14 1/2	0.17	0.98		0%						0	-0			0%	0	(0)	(0)
18	4	17 1/2	0.12	0.98		0%						0	-0			0%	0	(0)	(0)
19	4	18 1/2	0.10	0.98		0%						0	-0			0%	0	(0)	(0)
20	4	19 1/2	0.09	0.98		0%						0	-0			0%	0	(0)	(0)
21	4	20 1/2	0.08	0.98		0%						0	-0			0%	0	(0)	(0)
22	4	21 1/2	0.07	0.98		0%						0	-0			0%	0	(0)	(0)
23	4	22 1/2	0.06	0.98		0%						0	-0			0%	0	(0)	(0)
24	4	23 1/2	0.06	0.98		0%						0	-0			0%	0	(0)	(0)
25	4	24 1/2	0.05	0.98		0%						0	-0			0%	0	(0)	(0)
26	4	25 1/2	0.04	0.98		0%						0	-0			0%	0	(0)	(0)
27	4	26 1/2	0.04	0.98		0%						0	-0			0%	0	(0)	(0)
28	4	27 1/2	0.03	0.98		0%						0	-0			0%	0	(0)	(0)
29	4	28 1/2	0.03	0.98		0%						0	-0			0%	0	(0)	(0)
30	4	29 1/2	0.03	0.98		0%						-	-0			0%		(0)	(0)
Total					1,108	100%		1,108			449	449		100%	633	100%	633		

Average Reserve Balance		(416)		693	554		20		32	31
Average Weighted Life	0.38		0.50		0.30	0.61		0.55		0.05

The Hanover Insurance Group Internal Rate of Return Calculation

Commercial Auto Physical Damage

TABLE 3: Expense / Misc Income Inputs

	% of prem	% fixed
Commissions	14.5%	0%
Contingent Commissions	2.2%	0%
Premium Tax	2.3%	0%
General Expenses	11.2%	50%
Other Acquisitions	5.6%	50%
Dividends	0.0%	0%
Reinsurance	0.0%	100%
AOE ("ULAE")	6.2%	100%
Subtotal	41.9%	
Miscellaneous Income	0.27%	0%
Other Operating Expenses	0.1%	0%
Interest Expense	0.2%	

TABLE 4: Key Target Results After Iteration

Final Direct Combined Ratio	97.3%
Direct Profit & Contingencies Provision	2.7%

TABLE 5: Internal Rate of Return Analysis

Year	Quarter	Underwriting Income						Surplus				Average Investible Assets	Investment Income			Equity Flow	
		Tax Rate: 21.0%						R/S:		P/S:			BT yield		Tax		AT yield
		PreTax	Change in Tax Reserves	Misc Income	Taxable Income	Tax	Net	UEPR + Loss Resv	Required Surplus		Chg		3.7%	21.0%	2.9%		
									End	Avg							
0	0	(215)	-		6		(215)	1,108	301		301	-				(517)	
1	1	60	157	1	7	3	58	879	239	270	(62)	448	4	1	3	124	
1	2	60	158	1	6	1	60	601	163	201	(76)	417	4	1	3	139	
1	3	60	158	1	6	1	60	323	88	126	(75)	354	3	1	3	138	
1	4	60	158	1	6	1	60	47	13	50	(75)	206	2	0	2	137	
2	1	-	1		(1)	(0)	0	(18)	(5)	4	(18)	34	0	0	0	18	
2	2	-	(0)		0	0	(0)	(13)	(4)	(4)	1	(19)	(0)	(0)	(0)	(1)	
2	3	-	(0)		0	0	(0)	(9)	(2)	(3)	1	(14)	(0)	(0)	(0)	(1)	
2	4	-	(0)		0	0	(0)	(5)	(1)	(2)	1	(9)	(0)	(0)	(0)	(1)	
3	1	-	(0)		0	0	(0)	(4)	(1)	(1)	0	(6)	(0)	(0)	(0)	(0)	
3	2	-	(0)		0	0	(0)	(3)	(1)	(1)	0	(5)	(0)	(0)	(0)	(0)	
3	3	-	(0)		0	0	(0)	(2)	(1)	(1)	0	(4)	(0)	(0)	(0)	(0)	
3	4	-	(0)		0	0	(0)	(1)	(0)	(0)	0	(2)	(0)	(0)	(0)	(0)	
4	1	-	(0)		0	0	(0)	(1)	(0)	(0)	0	(2)	(0)	(0)	(0)	(0)	
4	2	-	(0)		0	0	(0)	(1)	(0)	(0)	0	(1)	(0)	(0)	(0)	(0)	
4	3	-	(0)		0	0	(0)	(1)	(0)	(0)	0	(1)	(0)	(0)	(0)	(0)	
4	4	-	(0)		0	0	(0)	(1)	(0)	(0)	0	(1)	(0)	(0)	(0)	(0)	
5	4	-	(0)		0	0	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	
6	4	-	(0)		0	0	(0)	0	0	(0)	0	(0)	(0)	(0)	(0)	(0)	
7	4	-	0		(0)	(0)	0	(0)	(0)	0	(0)	0	0	0	0	0	
8	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
9	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
10	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
11	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
12	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
13	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
14	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
15	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
16	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
17	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
18	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
19	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
20	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
21	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
22	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
23	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
24	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
25	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
26	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
27	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
28	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
29	4	-	0		(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
30	4	-	-		-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	
Total		26		3	29	6	23	2,898					13	3	10		

Average Reserve Balance

724

159

348

NPV @ 13.0%

UW Income	9
Inv Income	10
- Surplus	(19)
Total	(0)

Allmerica Financial Benefit Insurance Company (AFBIC)
Commercial Automobile
District of Columbia

Explanatory Memorandum

The companies above hereby file revisions to our Commercial Automobile line of business effective March 1, 2020 for new and renewal business. The overall estimated rate impact is 5.1%.

The following revisions are proposed:

1. Loss Costs
2. Hired Auto Minimum Premium
3. Non-Ownership Liability
4. Business Auto Coverage Broadening Endorsement Class Code Correction

Below are detailed descriptions of each proposed change:

1. Loss Costs

With this filing, we are changing our proprietary loss costs for PPT, TTT, Public, and Hired Auto vehicle types. These loss costs will mirror those filed in ISO reference filing CA-2019-BRLA1. Please see Appendix A for more details.

2. Hired Auto Minimum Premium

With this filing, we are increasing the minimum premiums for Hired Auto liability coverage from \$75 to \$100 and the physical damage coverage from \$25 to \$50. Please see the state exception pages for more information.

3. Non-Ownership Liability

With this filing, we wish to adopt the ISO Rule 89. Non-Ownership Liability Loss Costs. However, due to system limitations, we cannot breakout the 0-25 category into three separate categories as ISO has implemented in CA-2019-BRLA1. Therefore, we propose to use the average loss costs of ISO's three categories (0-9, 10-19 and 20-25) as our single 0-25 loss cost. Arithmetically, this is $(64+135+218)/3 = 139$. Please see the attached exception pages displaying this proposed loss cost.

4. Business Auto Coverage Broadening Endorsement Class Code Correction

This is an editorial only update. We found that our state exception pages were incorrectly displaying the class code 9900 for the Business Auto Broadening Endorsement. This has been corrected to the class code 9990, and can be seen in the state exception pages with this filing. The change has no implications to rating.

Actuarial Indications Methodology

Overall Approach: The companies use a credibility weighted loss ratio approach to ratemaking. Statewide data is used as much as possible. When statewide data is not available, countrywide data is used in its place. The underlying experience is the most recent direct (before reinsurance) calendar/accident year data.

Premium: Earned premium is compiled on a calendar year basis.

On-Level Premiums: Premiums are adjusted to the current rate level by using the parallelogram method.

Premium Trend: Physical Damage premium is adjusted to reflect shifts in original cost new (OCN) exposures from the mid-point of each calendar year to one year past the effective date. We rely on exposure data contained in the latest approved Insurance Services Office (ISO) Commercial Auto Loss Cost filing, typically published annually.

Losses: Losses are direct incurred losses limited to \$250,000 per claim occurrence and excluding catastrophes. Incurred losses are net of salvage and subrogation and do not include any loss adjustment expenses. The incurred losses are for 12 month accident year periods.

Loss Development: Loss development factors are based on the latest 15 accident years of loss data. Losses underlying the LDFs are on the same basis as the losses above (i.e. incurred, limited to \$250,000 per claim, excluding catastrophes, net as to salvage and subrogation, and exclusive of all loss adjustment expenses. Loss Development Triangles evaluated as of year-end were used to calculate LDFs for ages 12 to ultimate, 24 to ultimate, 36 to ultimate, 48 to ultimate, etc. The reciprocal of the loss development factors were then interpolated using standard interpolation techniques to find the loss development factors used in the indication, for ages 18 to ultimate, 30 to ultimate, 42 to ultimate, 45 to ultimate, and 66 to ultimate.

LAE Load: The LAE Load is a countrywide factor which reflects all loss adjustments expenses (LAE), i.e. both defense cost containment expenses and other adjustment expenses. LAE based on countrywide Commercial Auto data developed from the Insurance Expense Exhibit (IEE). The LAE load is expressed as a percentage of earned premiums.

Loss Trend: Factors to adjust incurred losses to reflect changes in loss frequency and severity from the mid-point of each year of the experience period to one year past the proposed effective date. We have relied on the loss trend data contained in the ISO Commercial Auto Loss Cost reference filing for our trend selections.

Excess Loss Factor: Liability losses in excess of \$250,000 are considered in the excess loss factor. The excess loss factor is calculated based on 3 years of statewide historical losses that are developed to ultimate and the corresponding 3-year historical direct earned premium. The excess loss factor is expressed as a percent of premium.

Excess Wind and Water Load: ISO uses an excess wind and water procedure to smooth out catastrophe losses for Comprehensive (OTC) coverage. Since ISO has a much larger and credible database than we do, we feel that it is not necessary to make independent adjustments to this procedure. We use the same Excess Wind and Water methodology that ISO uses in their Loss Cost Circulars, the only exception being that we calculate the load for all vehicles combined rather than by vehicle type. The Comprehensive (OTC) Excess Wind and Water Load is also converted to a physical damage Excess Wind and Water Load by multiplying the load by the percent of physical damage losses that are Comprehensive, which is selected based off of the latest three years of The Hanover Insurance Group's physical damage experience. The analysis uses data contained in the ISO Commercial Auto Loss Cost filing, published annually. The excess wind and water load is expressed as a percent of losses.

Accident Year Weights: We judgmentally selected accident year weights that balance the responsiveness and stability of our data.

Credibility Method: We use a credibility approach to reflect the amount of weight to be applied to the statewide data as it relates to its predictive value. It is equal to: $P / (P + K)$ where P = the five-year collected earned premiums and K = \$20,000,000 for Liability and No-Fault and \$2,000,000 for physical damage.

Development of Expected Fixed and Variable Expense Ratios: This is shown in Exhibit 1 – State Indication. Components are developed as follows:

- General and Other Acquisition Expenses use Countrywide IEE figures. General Expenses are considered 75% fixed and 25% variable. Other Acquisition Expenses are considered 33% fixed and 67% variable.
- Commissions and Taxes, Licenses and Fees use state P.14 figures. Both of these ratios are considered variable, as they are directly proportional to written premium.
- Profit and Contingencies, including Investment Income: We use an internal rate of return (IRR) model to determine the profit and contingencies provision after reflection of investment income. The IRR is the expected rate of return generated from modeling insurance company operations. Inputs to the model are shown in Exhibit 2 – IRR Model Memo & Exhibits, Tables 1, 2 and 3. The modeled results are shown in Tables 5. Table 4 shows the final direct profit and contingencies provision.

Rate Level Impact Methodology

The overall estimated rate level effect was calculated using current inforce policies. Each policy was rated using current rates and rating factors. Each policy was then re-rated with the proposed rates. Premiums were then compared to each other to develop the overall rate level impact.

State Exception Pages

Enclosed are the revised state exception pages and Appendix A - DC Proprietary Loss Cost Pages.

District of Columbia Commercial Automobile - Avenues

Rate Level Indication

Liability Coverages

Evaluation Date		7/31/2019						
State		DC						
			Acc. Year 2014	Acc. Year 2015	Acc. Year 2016	Acc. Year 2017	Acc. Year 2018	5 Year Total
(1) Collected Earned Premiums			\$284,881	\$331,497	\$405,076	\$438,266	\$443,839	\$1,903,559
(2) On-Level Factor			1.011	1.011	1.011	1.011	1.024	
(3) Premium at Current Rate Level	(1) * (2)		\$288,015	\$335,143	\$409,532	\$443,087	\$454,491	\$1,930,268
(4) Premium Trend			0.000	0.000	0.000	0.000	0.000	
(5) Trend Period ¹			6.592	5.592	4.592	3.592	2.592	
(6) Trend Factor	[1 + (4)] ^ (5)		1.000	1.000	1.000	1.000	1.000	
(7) Trended On-Level Premium	(3) * (6)		\$288,015	\$335,143	\$409,532	\$443,087	\$454,491	\$1,930,268
(8) Limited Incurred Losses (ex Cats)			\$37,095	\$48,440	\$103,876	\$102,262	\$84,563	\$376,236
(9) Loss Development Factor			1.004	1.010	1.026	1.071	1.193	
(10) Limited Ultimate Losses (ex Cats)	(8) * (9)		\$37,243	\$48,924	\$106,577	\$109,523	\$100,884	\$403,151
(11) Loss Trend			0.041	0.041	0.041	0.041	0.041	
(12) Trend Period ¹			6.592	5.592	4.592	3.592	2.592	
(13) Trend Factor	[1 + (11)] ^ (12)		1.303	1.252	1.203	1.155	1.110	
(14) Trended Limited Ultimate Incurred Losses	(13) * (14)		\$48,528	\$61,253	\$128,212	\$126,499	\$111,981	\$476,473
(15) LAE Load (% of Premium)			0.107	0.107	0.107	0.107	0.107	
(16) Excess Loss Factor (% of Premium)			0.034	0.034	0.034	0.034	0.034	
(17) Excess Wind & Water Load (% of Loss)			0.000	0.000	0.000	0.000	0.000	
(18) Adjusted Incurred Losses & LAE	{[(7)*(15)]+[(7)*(16)]+(14)]+[(14)*(17)]		\$89,138	\$108,508	\$185,956	\$188,974	\$176,064	\$748,641
(19) Adj. Incurred Loss & LAE Ratio	(18) / (7)		30.9%	32.4%	45.4%	42.6%	38.7%	
(20) Accident Year Weights			10.0%	15.0%	20.0%	25.0%	30.0%	100.0%
(21) Weighted Inc. Loss & LAE Ratio								39.3%
(22) Fixed Expenses:								10.4%
(23) Variable Expenses & Profit & Contingency:								26.5%
(24) State Credibility ²								8.7%
(25) CW Weighted Inc. Loss & LAE Ratio								72.5%
(26) Cred. Wtd. Inc. Loss & LAE Ratio	[(24) * (21)] + {[1-(24)] * (25)}							69.6%
(27) Rate Level indication	[(26)+(22)] / [1-(23)] - 1							8.8%

¹ Assumed New Business Effective Date:

2/1/2020

² Credibility based on formula: P/P+K, where P = 5 year earned premium and K =

\$20,000,000

District of Columbia Commercial Automobile - Avenues

Rate Level Indication
No-Fault Coverages

Evaluation Date 7/31/2019							5 Year Total
State DC		Acc. Year 2014	Acc. Year 2015	Acc. Year 2016	Acc. Year 2017	Acc. Year 2018	
(1) Collected Earned Premiums		\$3,728	\$4,531	\$5,547	\$6,142	\$5,308	\$25,256
(2) On-Level Factor		1.048	1.048	1.048	1.048	1.048	
(3) Premium at Current Rate Level	(1) * (2)	\$3,907	\$4,748	\$5,813	\$6,437	\$5,563	\$26,468
(4) Premium Trend		0.000	0.000	0.000	0.000	0.000	
(5) Trend Period ¹		6.592	5.592	4.592	3.592	2.592	
(6) Trend Factor	[1 + (4)] ^ (5)	1.000	1.000	1.000	1.000	1.000	
(7) Trended On-Level Premium	(3) * (6)	\$3,907	\$4,748	\$5,813	\$6,437	\$5,563	\$26,468
(8) Limited Incurred Losses (ex Cats)		\$2,960	\$12,701	\$1,871	\$1,538	\$0	\$19,070
(9) Loss Development Factor		0.999	0.993	0.984	0.990	1.013	
(10) Limited Ultimate Losses (ex Cats)	(8) * (9)	\$2,957	\$12,612	\$1,841	\$1,523	\$0	\$18,933
(11) Loss Trend		0.000	0.000	0.000	0.000	0.000	
(12) Trend Period ¹		6.592	5.592	4.592	3.592	2.592	
(13) Trend Factor	[1 + (11)] ^ (12)	1.000	1.000	1.000	1.000	1.000	
(14) Trended Limited Ultimate Incurred Losses	(13) * (14)	\$2,957	\$12,612	\$1,841	\$1,523	\$0	\$18,933
(15) LAE Load (% of Premium)		0.107	0.107	0.107	0.107	0.107	
(16) Excess Loss Factor (% of Premium)		0.000	0.000	0.000	0.000	0.000	
(17) Excess Wind & Water Load (% of Loss)		0.000	0.000	0.000	0.000	0.000	
(18) Adjusted Incurred Losses & LAE	{[(7)*(15)]+[(7)*(16)]+(14)}+[(14)*(17)]	\$3,375	\$13,120	\$2,463	\$2,212	\$595	\$21,765
(19) Adj. Incurred Loss & LAE Ratio	(18) / (7)	86.4%	276.3%	42.4%	34.4%	10.7%	
(20) Accident Year Weights		10.0%	15.0%	20.0%	25.0%	30.0%	100.0%
(21) Weighted Inc. Loss & LAE Ratio							70.4%
(22) Fixed Expenses:							10.4%
(23) Variable Expenses & Profit & Contingency:							26.5%
(24) State Credibility ²							0.1%
(25) CW Weighted Inc. Loss & LAE Ratio							68.7%
(26) Cred. Wtd. Inc. Loss & LAE Ratio	[(24) * (21)] + {[1-(24)] * (25)}						69.2%
(27) Rate Level indication	[(26)+(22)] / [1-(23)] - 1						8.3%

¹ Assumed New Business Effective Date: 2/1/2020

² Credibility based on formula: P/P+K, where P = 5 year earned premium and K = \$20,000,000

District of Columbia Commercial Automobile - Avenues

Rate Level Indication Physical Damage Coverages

Evaluation Date		7/31/2019						
State		DC						
			Acc. Year 2014	Acc. Year 2015	Acc. Year 2016	Acc. Year 2017	Acc. Year 2018	5 Year Total
(1) Collected Earned Premiums			\$42,453	\$59,106	\$92,810	\$101,351	\$88,861	\$384,581
(2) On-Level Factor			1.231	1.231	1.231	1.231	1.183	
(3) Premium at Current Rate Level	(1) * (2)		\$52,260	\$72,759	\$114,249	\$124,763	\$105,123	\$469,154
(4) Premium Trend			0.013	0.013	0.013	0.013	0.013	
(5) Trend Period ¹			6.592	5.592	4.592	3.592	2.592	
(6) Trend Factor	[1 + (4)] ^ (5)		1.089	1.075	1.061	1.047	1.034	
(7) Trended On-Level Premium	(3) * (6)		\$56,911	\$78,216	\$121,218	\$130,627	\$108,697	\$495,669
(8) Limited Incurred Losses (ex Cats)			\$11,289	\$35,848	\$54,047	\$108,354	\$49,222	\$258,760
(9) Loss Development Factor			1.000	1.000	1.000	0.998	0.995	
(10) Limited Ultimate Losses (ex Cats)	(8) * (9)		\$11,289	\$35,848	\$54,047	\$108,137	\$48,976	\$258,297
(11) Loss Trend			0.052	0.052	0.052	0.052	0.052	
(12) Trend Period ¹			6.592	5.592	4.592	3.592	2.592	
(13) Trend Factor	[1 + (11)] ^ (12)		1.397	1.328	1.262	1.200	1.140	
(14) Trended Limited Ultimate Incurred Losses	(13) * (14)		\$15,771	\$47,606	\$68,207	\$129,764	\$55,833	\$317,181
(15) LAE Load (% of Premium)			0.118	0.118	0.118	0.118	0.118	
(16) Excess Loss Factor (% of Premium)			0.000	0.000	0.000	0.000	0.000	
(17) Excess Wind & Water Load (% of Loss)			0.008	0.008	0.008	0.008	0.008	
(18) Adjusted Incurred Losses & LAE	{[(7)*(15)]+[(7)*(16)]+(14)}+[(14)*(17)]		\$22,613	\$57,216	\$83,056	\$146,216	\$69,106	\$378,207
(19) Adj. Incurred Loss & LAE Ratio	(18) / (7)		39.7%	73.2%	68.5%	111.9%	63.6%	
(20) Accident Year Weights			10.0%	15.0%	20.0%	25.0%	30.0%	100.0%
(21) Weighted Inc. Loss & LAE Ratio								75.7%
(22) Fixed Expenses:								10.7%
(23) Variable Expenses & Profit & Contingency:								27.7%
(24) State Credibility ²								16.1%
(25) CW Weighted Inc. Loss & LAE Ratio								71.4%
(26) Cred. Wtd. Inc. Loss & LAE Ratio	[(24) * (21)] + {[1-(24)] * (25)}							72.1%
(27) Rate Level indication	[(26)+(22)] / [1-(23)] - 1							14.5%

¹ Assumed New Business Effective Date: 2/1/2020

² Credibility based on formula: P/P+K, where P = 5 year earned premium and K = \$2,000,000

District of Columbia
Avenues Commercial Auto Combined Indication

Proposed Effective Date: 3/1/2020

	Indication	Weight
Liability	8.8%	79.6%
No-Fault (P.I.P.)	8.3%	1.1%
Physical Damage	14.5%	19.3%
Combined	9.9%	

Expected Loss Ratio

Commercial Automobile - Liability and No-Fault

Expense Category	Total Expense	Fixed Expense	Variable Expense	Source
(1) Commission and Brokerage	16.0%	0.0%	16.0%	District of Columbia-specific expense from Page 14
(2) General Expense	11.3%	8.5%	2.8%	Countrywide IEE for Commercial Auto
(3) Other Acquisition	5.7%	1.9%	3.8%	Countrywide IEE for Commercial Auto
(4) Taxes, Licenses, and Fees	2.1%	0.0%	2.1%	District of Columbia-specific expense from Page 14
(5) Profit & Contingencies	1.8%	0.0%	1.8%	District of Columbia IRR Model for Comm Auto Liability
(6) Total Expenses & Profit	36.9%	10.4%	26.5%	(1) + (2) + (3) + (4) + (5)
(7) Permissible Loss & LAE Ratio	63.1%			1- (6)

Expected Loss Ratio

Commercial Automobile - Physical Damage

Expense Category	Total Expense	Fixed Expense	Variable Expense	Source
(1) Commission and Brokerage	16.2%	0.0%	16.2%	District of Columbia-specific expense from Page 14
(2) General Expense	11.7%	8.8%	2.9%	Countrywide IEE for Commercial Auto
(3) Other Acquisition	5.7%	1.9%	3.8%	Countrywide IEE for Commercial Auto
(4) Taxes, Licenses, and Fees	2.1%	0.0%	2.1%	District of Columbia-specific expense from Page 14
(5) Profit & Contingencies	2.7%	0.0%	2.7%	District of Columbia IRR Model for Comm Auto Physical Damage
(6) Total Expenses & Profit	38.4%	10.7%	27.7%	(1) + (2) + (3) + (4) + (5)
(7) Permissible Loss & LAE Ratio	61.6%			1- (6)

Includes data for all companies in the state

District of Columbia Commercial Automobile

Rate Level Indication

Trend values from ISO Loss Cost Filing Designation **CA-2018-BRLA1**

Commercial Auto Liability and No-Fault Loss Trend

District of Columbia Trend	ISO	weight*	weighted trend	
\$100k CSL Bodily Injury	-1.40%			
Property Damage	7.10%			
Credibility-Weighted DC Trend				
\$100k CSL Bodily Injury	3.80%	72.8%	2.8%	(1)
Property Damage	4.90%	27.2%	1.3%	(2)
No-Fault (P.I.P.) Trend				
Trucks, Tractors, and Trailers	0.00%	62.9%	0.0%	(3)
Private Passenger Types	0.00%	36.9%	0.0%	(4)
Garages	0.00%	0.3%	0.0%	(5)
			4.1%	Selected Liability Loss Trend [(1) + (2)]
			0.0%	Selected P.I.P. Loss Trend [(3) + (4) + (5)]

Commercial Auto Physical Damage Loss Trend

Trucks, Tractors, and Trailers	ISO	weight*	TTT / PPT weight*	weighted trend	
(OTC) Comprehensive	7.00%	25.7%		1.1%	(6)
Collision	5.00%	74.3%	63.2%	2.3%	(7)
Private Passenger Types and Garages					
(OTC) Comprehensive	6.50%	25.7%	36.8%	0.6%	(8)
Collision	4.50%	74.3%		1.2%	(9)
				5.2%	Selected Loss Trend [(6) + (7) + (8) + (9)]

Commercial Auto Physical Damage Premium (OCN) Trend

Trucks, Tractors, and Trailers	ISO	weight*	TTT / PPT weight*	weighted trend	
(OTC) Comprehensive	1.00%	25.7%	63.2%	0.2%	(10)
Collision	1.60%	74.3%		0.8%	(11)
Private Passenger Types and Garages					
(OTC) Comprehensive	1.10%	25.7%	36.8%	0.1%	(12)
Collision	0.60%	74.3%		0.2%	(13)
				1.3%	Selected Premium (OCN) Trend [(10) + (11) + (12) + (13)]

* Weights are based upon AY 2015 - 2017 Hanover Insurance Group Countrywide Incurred Loss distributions

Rate Level Indication

Limited to \$250,000

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
2004	9,719	14,289	16,253	17,095	17,513	17,674	17,658	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854	-
2005	11,210	16,944	18,779	20,633	20,787	20,426	20,431	20,433	20,420	20,452	20,451	20,451	20,451	20,486	-	-
2006	10,747	15,284	17,371	19,623	19,674	19,845	19,896	19,866	19,881	19,881	19,881	19,881	19,846	-	-	-
2007	10,922	15,824	18,722	19,743	20,238	20,171	20,205	20,125	20,125	20,125	20,123	20,123	-	-	-	-
2008	10,028	17,590	20,253	21,484	22,716	22,710	22,726	22,821	22,822	22,857	22,857	-	-	-	-	-
2009	12,151	19,174	21,063	22,618	23,869	24,240	24,244	24,116	24,235	24,235	-	-	-	-	-	-
2010	14,217	22,163	27,829	29,515	30,418	30,607	30,726	30,780	30,858	-	-	-	-	-	-	-
2011	12,263	23,507	27,018	29,770	30,426	30,618	30,588	30,599	-	-	-	-	-	-	-	-
2012	17,353	28,642	33,207	35,769	37,346	37,849	38,093	-	-	-	-	-	-	-	-	-
2013	15,208	28,200	32,948	36,862	37,213	37,676	-	-	-	-	-	-	-	-	-	-
2014	13,292	25,036	30,291	31,906	32,401	-	-	-	-	-	-	-	-	-	-	-
2015	15,107	27,388	30,232	31,798	-	-	-	-	-	-	-	-	-	-	-	-
2016	12,543	19,769	24,374	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	9,571	18,885	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	9,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Factors																
Period	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - Ult
2004	1.470	1.137	1.052	1.024	1.009	0.999	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2005	1.511	1.108	1.099	1.007	0.983	1.000	1.000	0.999	1.002	1.000	1.000	1.000	1.002			
2006	1.422	1.137	1.130	1.003	1.009	1.003	0.999	1.001	1.000	1.000	1.000	0.998				
2007	1.449	1.183	1.055	1.025	0.997	1.002	0.996	1.000	1.000	1.000	1.000					
2008	1.754	1.151	1.061	1.057	1.000	1.001	1.004	1.000	1.002	1.000						
2009	1.578	1.099	1.074	1.055	1.016	1.000	0.995	1.005	1.000							
2010	1.559	1.256	1.061	1.031	1.006	1.004	1.002	1.003								
2011	1.917	1.149	1.102	1.022	1.006	0.999	1.000									
2012	1.651	1.159	1.077	1.044	1.013	1.006										
2013	1.854	1.168	1.119	1.010	1.012											
2014	1.884	1.210	1.053	1.016												
2015	1.813	1.104	1.052													
2016	1.576	1.233														
2017	1.973															
2018																
Development Averages																
5 Yr X H/L	1.850	1.179	1.077	1.023	1.010	1.002	0.999	1.001	1.001	1.000	1.000		1.000			
3 Yr Avg	1.787	1.182	1.075	1.023	1.010	1.003	0.999	1.003	1.001	1.000		1.000	1.000			
Selected	1.787	1.182	1.075	1.023	1.010	1.003	0.999	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Yr X H/L cum	2.435	1.316	1.116	1.036	1.013	1.003	1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Yr cum.	2.359	1.320	1.117	1.039	1.016	1.006	1.003	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.359	1.320	1.117	1.039	1.016	1.006	1.003	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Rate Level Indication

Unlimited	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
2004	13,839	19,242	22,300	24,091	24,282	24,493	24,432	24,653	24,653	24,828	24,828	24,828	24,828	24,828	24,828	-
2005	16,293	23,680	25,842	28,290	28,398	28,134	28,140	28,217	28,204	28,236	28,235	28,235	28,235	28,270	-	-
2006	14,607	20,762	24,107	26,857	27,816	28,029	28,080	28,050	28,124	28,124	28,124	28,124	28,089	-	-	-
2007	13,734	20,443	25,014	27,411	28,812	28,819	28,878	28,748	28,748	28,747	28,746	28,746	-	-	-	-
2008	11,765	20,692	24,909	27,053	28,880	28,985	29,001	29,096	29,097	29,132	29,234	-	-	-	-	-
2009	13,908	22,453	26,070	29,901	32,839	33,711	33,683	33,655	35,160	35,160	-	-	-	-	-	-
2010	16,766	28,564	36,780	41,966	44,210	44,525	44,712	44,899	44,979	-	-	-	-	-	-	-
2011	13,613	28,776	34,992	40,932	43,088	44,036	44,006	44,183	-	-	-	-	-	-	-	-
2012	23,133	36,477	43,898	49,289	52,340	53,429	54,072	-	-	-	-	-	-	-	-	-
2013	21,234	40,515	48,384	56,093	58,323	60,572	-	-	-	-	-	-	-	-	-	-
2014	16,054	32,451	40,608	45,017	47,039	-	-	-	-	-	-	-	-	-	-	-
2015	16,847	32,583	39,230	43,815	-	-	-	-	-	-	-	-	-	-	-	-
2016	13,765	23,906	32,523	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	11,226	26,486	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	10,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Factors																
Period	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - Ult
2004	1.390	1.159	1.080	1.008	1.009	0.998	1.009	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.000	
2005	1.453	1.091	1.095	1.004	0.991	1.000	1.003	1.000	1.001	1.000	1.000	1.000	1.001			
2006	1.421	1.161	1.114	1.036	1.008	1.002	0.999	1.003	1.000	1.000	1.000	0.999				
2007	1.489	1.224	1.096	1.051	1.000	1.002	0.995	1.000	1.000	1.000	1.000					
2008	1.759	1.204	1.086	1.068	1.004	1.001	1.003	1.000	1.001	1.004						
2009	1.614	1.161	1.147	1.098	1.027	0.999	0.999	1.045	1.000							
2010	1.704	1.288	1.141	1.053	1.007	1.004	1.004	1.002								
2011	2.114	1.216	1.170	1.053	1.022	0.999	1.004									
2012	1.577	1.203	1.123	1.062	1.021	1.012										
2013	1.908	1.194	1.159	1.040	1.039											
2014	2.021	1.251	1.109	1.045												
2015	1.934	1.204	1.117			</										

Rate Level Indication

Direct Incurred Losses (\$000)

[illegible][illegible][illegible]

Rate Level Indication

Direct Incurred Losses (\$000)

[illegible][illegible][illegible]

Rate Level Indication

Limited to \$250,000

Limited to \$250,000

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
2004	20,006	21,106	21,063	21,032	21,028	21,018	21,024	21,021	21,018	21,015	21,014	21,011	21,011	21,011	21,011	-
2005	20,993	22,217	22,188	22,193	22,178	22,172	22,164	22,166	22,161	22,160	22,160	22,160	22,160	22,160	-	-
2006	20,531	21,088	20,929	20,931	20,909	20,897	20,894	20,893	20,892	20,890	20,888	20,888	20,886	-	-	-
2007	23,264	23,883	23,589	23,580	23,565	23,569	23,567	23,568	23,567	23,567	23,566	23,565	-	-	-	-
2008	24,369	25,846	25,684	25,661	25,648	25,646	25,646	25,649	25,648	25,648	25,648	-	-	-	-	-
2009	22,339	22,860	22,731	22,684	22,685	22,672	22,671	22,666	22,666	22,666	-	-	-	-	-	-
2010	24,367	25,219	25,065	25,022	24,988	24,980	24,979	24,979	24,979	-	-	-	-	-	-	-
2011	33,341	33,901	33,758	33,718	33,729	33,723	33,721	33,721	-	-	-	-	-	-	-	-
2012	35,686	36,670	36,429	36,318	36,360	36,306	36,306	-	-	-	-	-	-	-	-	-
2013	40,122	41,770	41,601	41,560	41,547	41,554	-	-	-	-	-	-	-	-	-	-
2014	44,791	44,595	44,254	44,159	44,128	-	-	-	-	-	-	-	-	-	-	-
2015	43,920	43,731	43,447	43,370	-	-	-	-	-	-	-	-	-	-	-	-
2016	42,847	43,115	42,879	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	44,771	45,415	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	47,601	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Factors																
Period	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - Ult
2004	1.055	0.998	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	1.058	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006	1.027	0.992	1.000	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007	1.027	0.988	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008	1.061	0.994	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009	1.023	0.994	0.998	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010	1.035	0.994	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011	1.017	0.996	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012	1.028	0.993	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2013	1.041	0.996	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2014	0.996	0.992	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2015	0.996	0.994	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2016	1.006	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2017	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2018	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Development Averages																
5 Yr X H/L	1.005	0.994	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Yr Avg	1.005	0.994	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.005	0.994	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Yr X H/L cum	0.996	0.991	0.997	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Yr cum.	0.996	0.991	0.997	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	0.996	0.991	0.997	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Rate Level Indication

Direct Incurred Losses (\$000)

[illegible][illegible][illegible]

District of Columbia Commercial Automobile

Rate Level Indication

**Liability Excess Loss Load
based on District of Columbia Data**

(1) Calendar/ Accident Year	(2) Direct Earned Premium	(3) Unlimited Incurred Losses	(4) Limited Incurred Losses	(5) Liability Unlimited LDF	(6) Liability Limited LDF	(7) Ultimate Unlimited Losses	(8) Ultimate Limited Losses	(9) Ultimate Losses XS of \$250k	(10) Ultimate Excess Loss Load
2013	\$0	\$0	\$0	1.021	1.004	\$0	\$0	\$0	#DIV/0!
2014	\$1,071,035	\$167,734	\$167,734	1.035	1.010	\$173,605	\$169,411	\$4,194	0.4%
2015	\$1,203,039	\$525,097	\$469,774	1.073	1.026	\$563,429	\$481,988	\$81,441	6.8%
2016	\$1,351,947	\$239,187	\$239,187	1.159	1.071	\$277,218	\$256,169	\$21,049	1.6%
2017	\$1,458,132	\$188,114	\$188,114	1.367	1.193	\$257,152	\$224,420	\$32,732	2.2%

3 Year Average

3.4%

5 Year Average

2.7%

Selected Excess Ratio (% of Premium)

3.4%

**No-Fault Excess Loss Load
based on District of Columbia Data**

(1) Calendar/ Accident Year	(2) Direct Earned Premium	(3) Unlimited Incurred Losses	(4) Limited Incurred Losses	(5) No-Fault Unlimited LDF	(6) No-Fault Limited LDF	(7) Ultimate Unlimited Losses	(8) Ultimate Limited Losses	(9) Ultimate Losses XS of \$250k	(10) Ultimate Excess Loss Load
2013	\$0	\$0	\$0	0.999	0.999	\$0	\$0	\$0	#DIV/0!
2014	\$19,100	\$10,045	\$10,045	0.993	0.993	\$9,974	\$9,974	\$0	0.0%
2015	\$23,763	\$12,701	\$12,701	0.984	0.984	\$12,498	\$12,498	\$0	0.0%
2016	\$28,152	\$1,871	\$1,871	0.990	0.990	\$1,852	\$1,852	\$0	0.0%
2017	\$33,408	\$5,929	\$5,929	1.013	1.013	\$6,006	\$6,006	\$0	0.0%

3 Year Average

0.0%

5 Year Average

0.0%

Selected Excess Ratio (% of Premium)

0.0%

**Physical Damage Excess Loss Load
based on District of Columbia Data**

(1) Calendar/ Accident Year	(2) Direct Earned Premium	(3) Unlimited Incurred Losses	(4) Limited Incurred Losses	(5) Phys Dam Unlimited LDF	(6) Phys Dam Limited LDF	(7) Ultimate Unlimited Losses	(8) Ultimate Limited Losses	(9) Ultimate Losses XS of \$250k	(10) Ultimate Excess Loss Load
2013	\$0	\$0	\$0	1.000	1.000	\$0	\$0	\$0	#DIV/0!
2014	\$449,212	\$201,333	\$201,333	1.000	1.000	\$201,333	\$201,333	\$0	0.0%
2015	\$507,978	\$224,641	\$224,641	1.000	1.000	\$224,641	\$224,641	\$0	0.0%
2016	\$563,518	\$260,216	\$260,216	0.998	0.998	\$259,695	\$259,695	\$0	0.0%
2017	\$633,064	\$331,746	\$331,746	0.995	0.995	\$330,087	\$330,087	\$0	0.0%

3 Year Average

0.0%

5 Year Average

0.0%

Selected Excess Ratio (% of Premium)

0.0%

(2) to (4): Based on both Avenues and Non-Avenues loss data in the state

(5) and (6): Based on state's historical loss triangles for Avenues and Non-Avenues

(7) = (3) x (5)

(8) = (4) x (6)

(9) = (7) - (8)

(10) = (9) / (2)

**Liability Excess Loss Ratio
based on Countrywide Data**

(1) Calendar/ Accident Year	(2) Direct Earned Premium	(3) Unlimited Reported Losses	(4) Limited Reported Losses	(5) Liability Unlimited LDF	(6) Liability Limited LDF	(7) Ultimate Unlimited Losses	(8) Ultimate Limited Losses	(9) Ultimate Losses XS of \$250k	(10) Ultimate Excess Loss Ratio
2014	\$216,913,904	\$129,706,827	\$95,304,751	1.013	1.004	\$131,393,015	\$95,685,970	\$35,707,045	16.5%
2015	\$216,052,754	\$124,437,580	\$96,588,695	1.024	1.009	\$127,424,082	\$97,457,993	\$29,966,089	13.9%
2016	\$215,819,066	\$129,409,090	\$97,461,546	1.050	1.019	\$135,879,544	\$99,313,315	\$36,566,229	16.9%
2017	\$219,797,692	\$119,194,799	\$91,431,619	1.116	1.053	\$133,021,396	\$96,277,495	\$36,743,901	16.7%
2018	\$232,039,121	\$79,266,515	\$69,651,272	1.280	1.158	\$101,461,139	\$80,656,173	\$20,804,966	9.0%

3 Year Average	14.1%
5 Year Average	14.5%
Selected Excess Ratio (% of Premium)	14.5%

**Physical Damage Excess Loss Ratio
based on Countrywide Data**

(1) Calendar/ Accident Year	(2) Direct Earned Premium	(3) Unlimited Reported Losses	(4) Limited Reported Losses	(5) Phys Dam Unlimited LDF	(6) Phys Dam Limited LDF	(7) Ultimate Unlimited Losses	(8) Ultimate Limited Losses	(9) Ultimate Losses XS of \$250k	(10) Ultimate Excess Loss Ratio
2014	\$70,657,831	\$44,126,938	\$44,126,938	1.000	1.000	\$44,126,938	\$44,126,938	\$0	0.0%
2015	\$72,424,993	\$43,370,594	\$43,370,594	1.000	1.000	\$43,370,594	\$43,370,594	\$0	0.0%
2016	\$73,422,166	\$42,805,064	\$42,805,064	1.000	1.000	\$42,805,064	\$42,805,064	\$0	0.0%
2017	\$77,401,302	\$45,195,173	\$45,195,173	0.998	0.998	\$45,104,782	\$45,104,782	\$0	0.0%
2018	\$83,956,715	\$48,921,887	\$48,921,887	0.995	0.995	\$48,677,278	\$48,677,278	\$0	0.0%

3 Year Average	0.0%
5 Year Average	0.0%
Selected Excess Ratio (% of Premium)	0.0%

**No-Fault Excess Loss Ratio
based on Countrywide excluding Michigan Data**

(1) Calendar/ Accident Year	(2) Direct Earned Premium	(3) Unlimited Reported Losses	(4) Limited Reported Losses	(5) No-Fault Unlimited LDF	(6) No-Fault Limited LDF	(7) Ultimate Unlimited Losses	(8) Ultimate Limited Losses	(9) Ultimate Losses XS of \$100k	(10) Ultimate Excess Loss Ratio
2014	\$205,804,641	\$122,280,946	\$90,289,926	0.999	0.999	\$122,158,665	\$90,199,636	\$31,959,029	15.5%
2015	\$206,523,503	\$116,993,778	\$92,492,994	0.993	0.993	\$116,174,822	\$91,845,543	\$24,329,279	11.8%
2016	\$207,501,140	\$125,635,928	\$94,533,385	0.984	0.984	\$123,625,754	\$93,020,850	\$30,604,904	14.7%
2017	\$212,428,402	\$113,830,663	\$88,669,734	0.990	0.990	\$112,692,356	\$87,783,037	\$24,909,319	11.7%
2018	\$224,577,181	\$77,908,322	\$68,418,079	1.013	1.013	\$78,921,130	\$69,307,514	\$9,613,616	4.3%

3 Year Average	10.1%
5 Year Average	11.5%
Selected Excess Ratio (% of Premium)	11.5%

(2) to (4): Based on an internal Hanover Insurance Group data query for Commercial Auto, based upon policy line of business.

(5) and (6): Based on countrywide historical loss triangles. For No-Fault, based on countrywide excluding Michigan historical loss triangles.

(7) = (3) x (5)

(8) = (4) x (6)

(9) = (7) - (8)

(10) = (9) / (2)

Commercial Automobile

Rate Level Indication

ISO Excess Wind & Water Commercial Automobile - Comprehensive (OTC) ISO Loss Cost Filing Designation: CA-2019-BRLA1 All Vehicle Types Combined

Accident Year	(1) OTC Wind & Water Losses	(2) OTC Total Losses	(3) = (2) - (1) Total Non Wind/Water Losses	(4) = (1) / (3) Ratio Wind/Water	(5) Capped Wind/Water Ratio (< 5*Median)	(6) = (5) - Avg(5) Capped Excess Wind/Water Ratio	(7) = (4) - (5) Excess Wind/Water Ratio Above Cap	(8) = [(6)+(7)]*(3) Total Excess Wind/Water Losses
1988	\$1,349	\$213,112	\$211,763	0.006	0.006	0.000	0.000	\$0
1989	\$18,315	\$470,287	\$451,972	0.041	0.041	0.000	0.000	\$0
1990	\$18,807	\$369,442	\$350,635	0.054	0.054	0.000	0.000	\$0
1991	\$723	\$304,774	\$304,051	0.002	0.002	0.000	0.000	\$0
1992	\$17,142	\$207,396	\$190,254	0.090	0.090	0.004	0.000	\$761
1993	\$14,056	\$225,267	\$211,211	0.067	0.067	0.000	0.000	\$0
1994	\$13,576	\$307,321	\$293,745	0.046	0.046	0.000	0.000	\$0
1995	\$8,543	\$187,526	\$178,983	0.048	0.048	0.000	0.000	\$0
1996	\$2,915	\$425,281	\$422,366	0.007	0.007	0.000	0.000	\$0
1997	\$4,851	\$246,577	\$241,726	0.020	0.020	0.000	0.000	\$0
1998	\$0	\$224,765	\$224,765	0.000	0.000	0.000	0.000	\$0
1999	\$5,484	\$120,605	\$115,121	0.048	0.048	0.000	0.000	\$0
2000	\$18,672	\$347,873	\$329,201	0.057	0.057	0.000	0.000	\$0
2001	\$2,753	\$213,367	\$210,614	0.013	0.013	0.000	0.000	\$0
2002	\$31,470	\$248,181	\$216,711	0.145	0.145	0.059	0.000	\$12,786
2003	\$5,051	\$294,248	\$289,197	0.017	0.017	0.000	0.000	\$0
2004	\$115,956	\$266,062	\$150,106	0.772	0.295	0.209	0.477	\$102,973
2005	\$11,306	\$171,161	\$159,855	0.071	0.071	0.000	0.000	\$0
2006	\$6,867	\$87,121	\$80,254	0.086	0.086	0.000	0.000	\$0
2007	\$25,782	\$91,895	\$66,113	0.390	0.295	0.209	0.095	\$20,098
2008	\$964	\$83,722	\$82,758	0.012	0.012	0.000	0.000	\$0
2009	\$22,712	\$145,006	\$122,294	0.186	0.186	0.100	0.000	\$12,229
2010	\$12,906	\$116,216	\$103,310	0.125	0.125	0.039	0.000	\$4,029
2011	\$21,401	\$233,376	\$211,975	0.101	0.101	0.015	0.000	\$3,180
2012	\$35,061	\$158,730	\$123,669	0.284	0.284	0.198	0.000	\$24,486
2013	\$14,520	\$103,401	\$88,881	0.163	0.163	0.077	0.000	\$6,844
2014	\$0	\$74,621	\$74,621	0.000	0.000	0.000	0.000	\$0
2015	\$6,300	\$109,419	\$103,119	0.061	0.061	0.000	0.000	\$0
2016	\$15,783	\$254,495	\$238,712	0.066	0.066	0.000	0.000	\$0
2017	\$23,660	\$159,078	\$135,418	0.175	0.175	0.089	0.000	\$12,052

	Averages	0.086	0.033	0.019
Median		0.059		
Median * 5		0.295		

(9) Excess Wind & Water Factor = 1.049
1.0 + [(Avg(6) + Avg(7)) / (1.0 + Avg(5) - Avg(6))]

(10) Normal Wind & Water Factor = 0.043
[(Sum(1) - Sum(8))/sum(2)]

Final Comprehensive (OTC) Factors		
(9) - 1	(10)	avg (5)
Excess Wind/Water	Normal Excess Wind/Water	Capped Wind/Water Ratio
4.9%	4.3%	8.6%

(11) DC Hanover Insurance Group Collision Losses: \$1,168,975
Based on AYs 2015 - 2017

(12) DC Hanover Insurance Group OTC Losses: \$226,671
Based on AYs 2015 - 2017

(13) % Comprehensive (OTC): 16.2%
(12)/[(11)+(12)]

(14) Final Physical Damage Excess Wind/Water Factor: 0.8%
[(9) - 1]*(13)

Inforce Actual Written Premium by Coverage used in Calculation of Rate Effects

<u>Coverage</u>	<u>Written Premium</u>
Collision	\$50,195
Comprehensive	\$30,066
Liability	\$265,526
No Fault	\$5,127
UM/UIM	\$22,938

Earned Exposures by Coverage/Accident Year

<u>Acc Year</u>	<u>Coverage</u>	<u>Earned Exposure - Car Years</u>
2018	Liability	132.1
2018	Physical Damage	167.6
2018	PIP	94.3
2017	Liability	166.1
2017	Physical Damage	216.1
2017	PIP	127.0
2016	Liability	151.2
2016	Physical Damage	195.9
2016	PIP	119.8
2015	Liability	111.0
2015	Physical Damage	146.1
2015	PIP	91.4
2014	Liability	87.9
2014	Physical Damage	110.8
2014	PIP	72.6